

HEARING ON AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES COAST GUARD IN FISCAL YEAR 1996

Y 4. C 73/7: S. HRG. 104-183

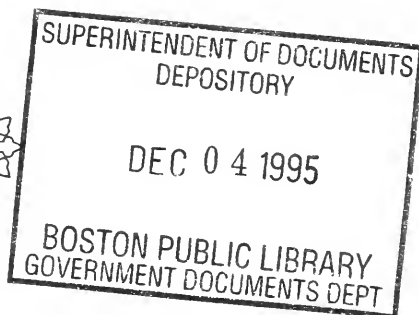
Hearing on Authorization of Appropri...

HEARING
BEFORE THE
SUBCOMMITTEE ON OCEANS AND FISHERIES
OF THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

MARCH 15, 1995

Printed for the use of the Committee on Commerce, Science, and Transportation



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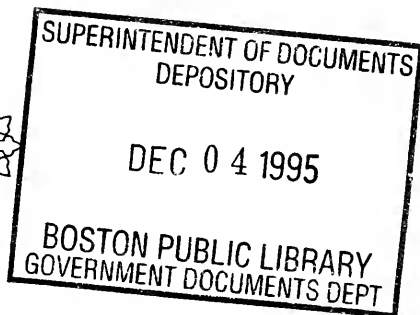
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HEARING ON AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES COAST GUARD IN FISCAL YEAR 1996

WEDNESDAY, MARCH 15, 1995

U.S. SENATE,
SUBCOMMITTEE ON OCEANS AND FISHERIES, COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The committee met, pursuant to notice, at 3:03 p.m., in room S-211, the Capitol, Hon. Ted Stevens, presiding.

Staff members assigned to this hearing: Thomas O. Melius, professional staff member, and John Trevor McCabe, professional staff member; and Penelope D. Dalton, minority senior professional staff member, and Lila H. Helms, minority professional staff member.

OPENING STATEMENT SENATOR STEVENS

Senator STEVENS. Admiral, welcome.

I apologize to you and Captain Cross and Captain Brown for our space. This is the only place we thought we could get and still be near the Senate floor. But this is a famous old room. It is the Lyndon Baines Johnson Room, as a matter of fact.

We are happy to have you here. As I said at your confirmation hearing, I am pleased that you bring Alaska experience with you, including your master's degree. So this is sort of a family hearing this afternoon.

I will put my basic statement in the record, but I want you to know that we fought hard to get this new concept of our committee, oceans and fisheries, so that we could focus on issues such as your annual authorization bill.

Senator Kerry and I now have worked together for some time, trying to assure that we provide the funding and the support that you need to carry on your vital activities.

We want to thank you again for your courtesy in assisting us to hold the hearings in New England just 2 weeks ago. We were most pleased. We will be going out to Seattle this weekend and then up to Alaska the next weekend to continue on the reauthorization of the Magnuson bill.

But we are here today to listen to your testimony on the 1996 request of the Coast Guard. On the whole, I might say, I think we are pleased with the request.

There is a slight increase, 2 percent. We want to hear your specifics on the budget request, and we are interested in your com-

ments on the legislative request that was made by the Department on February 24.

We hope to get your thoughts on draft legislation we prepared based on your request. The draft is also based upon the efforts we made last year but which we were not able to get through.

I do believe that we will be able to work out a bipartisan bill. We will try to see if we can get the bill through the Senate early this year.

I want to say at the beginning that we have a request from Senator Inouye that he be noted as being absent. He has a very serious ear infection that gives him a problem with vertigo, so he is not going to be here with us today.

But let me recognize my good friend and co-chairman, Senator Kerry.

[Prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF SENATOR STEVENS

- Call Subcommittee hearing to order.
- Thank you to Admiral Kramek, Captain Terry Cross and Erroll Brown for being here.
- Apologies for the postponement last week.
- As I said at your confirmation hearing last year, Admiral, I'm pleased with the experience you bring from Alaska—including your Master's degree from our university when you were Chief of Naval Engineering for the 17th District (1972-1975).
- I probably don't need to remind this committee that Alaska has over half the coastline of the United States, and that we catch well over half of the nation's fish off Alaska.
- I can't emphasize enough how important the Coast Guard is to Alaska and to the safety of Alaskans whose lives depend on the use of our oceans and rivers.
- Part of the reason I requested the creation of a new Subcommittee on Oceans and Fisheries was to allow a greater focus on important issues such as the annual Coast Guard authorization bill.
- The Coast Guard provides vital functions to all of the nation's coastal states and in our inland waterways.
- We are here today to listen to your testimony on the fiscal year 1996 budget request for the Coast Guard, as well as on the authorization needs of the Coast Guard in the 104th Congress.
- On the whole, we are pleased with the Coast Guard budget request for FY96, which represents a modest two percent increase over the enacted FY95 appropriations level.
- I look forward to listening to your testimony on the specifics of this budget request.
- In addition, the Subcommittee is interested in your comments on the legislative package submitted by Secretary Peña on February 24, 1995.
- We also hope to get your thoughts on the draft legislation prepared by the Subcommittee which you have been provided.
- The draft is based on the Coast Guard package from last year which did not pass before the close of the 103rd Congress.
- We hope to introduce a bipartisan bill which combines the Coast Guard's priorities with our framework draft in the next week or two.
- We are committed to trying to move a bill through the Committee and the Senate early this year.
- In the interest of time, I will now recognize the other Committee members for brief statements.
- I have a number of questions to ask when the testimony is completed.
- Again, thank you Admiral Kramek for being here today, and sorry again about any inconvenience from last week.

STATEMENT OF SENATOR KERRY

Senator KERRY. Mr. Chairman, thank you very much. As always, it is a pleasure to continue to work with you, whether you are hold-

ing the gavel or I am. We have always had a fairly bipartisan and easy-going approach here.

Our interest, obviously, is to safeguard the mission of the Coast Guard. Admiral, thank you for taking time to come and visit personally. And thank you, also, for your efforts in supporting the hearings that we have had, which are a very important adjunct to your responsibilities.

This is obviously a very difficult time here in the Congress, and in the country, and we are all facing tough fiscal choices. This committee—and I think that Senator Stevens shares this view—has not been profligate in this arena. On the contrary, we have been cutting substantially through the past years.

On the other hand, the mission of the Coast Guard has been growing simultaneously. And whether it is Haiti or oil spills or increased fishing enforcement, there are significant role increases for the Coast Guard, significant pressures on the quality of the fleet, and significant pressures on the personnel and their capacity to be distributed appropriately.

So we are open minded and sympathetic to the notion that there have to be some changes in restraints. On the other hand, as we discussed in my office, we need to measure carefully the value of saving \$6 million against a significant number of station closings and the impact of such closures on communities, on perception, on lives. So we will measure those factors as carefully as we can and try to make a judgment whether the proposed closures, measured against other possibilities, is the best choice. We are not challenging your judgment necessarily in arriving at that decision. I just think there may be different views, and that is part of this testing process.

But I want to say that obviously those of us in Massachusetts and Alaska and all the coastal states have an interest in what we decide to do here.

So I join with Senator Stevens in saying that we really look forward to trying to put together a consensus approach.

Hopefully, it will not lend itself to contentiousness, and we can arrive at an expedited procedure that will try to move this very important set of budget choices forward. I look forward to hearing your testimony.

Senator STEVENS: Yes, sir. Please proceed.

[Prepared statement of Senator Kerry follows:]

PREPARED STATEMENT OF SENATOR KERRY

Mr. Chairman, I am pleased to be here today for this important hearing on Coast Guard programs and activities.

In this time of draconian cuts and dramatic changes in our society and in our government, there are some things worth protecting within the limitations of obvious budgetary considerations. One of them is the work of the United States Coast Guard. And I would hope that the prevailing words in this process will be commonsense.

Mr. Chairman, the Coast Guard is vital to my State of Massachusetts, with hundreds and hundreds of miles of magnificent coastline, and thriving recreational and boating attractions that bring millions of visitors to my State every year.

It is vital to the safety and well-being of citizens in every coastal State, and in every State with navigable waters; we know that over 50 percent of the U.S. population lives within the coastal zone, and directly benefits from the services the Coast Guard provides.

But, indirectly, the Coast Guard, in the performance of its mission, protects every American. In fact, more than two-thirds of the total Budget for the Coast Guard goes to operating expenses to protect public safety and the marine environment, to enforce laws and treaties, maintain aids to navigation, prevent illegal drug trafficking and illegal immigration, and preserve defense readiness.

I believe it is our responsibility to ensure that the Coast Guard has adequate resources to achieve its existing mandates and that we take into consideration the Coast Guard's recognize ever-expanding role in our navigable waters and beyond.

I believe we need to adequately, albeit, responsibly invest in important Coast Guard programs to increase marine safety, enforce maritime law, and protect our fragile coastal environment that is of extraordinary importance tourism and to the overall economies of States that enjoy the magnificence of America's dramatic coastline.

I come from a State that can boast about one of the most talked-about and written-about coastlines in America, and I, for one, thank the Coast Guard for the work it has done to protect it.

But, we all know that the Coast Guard's mission does not end at our shore. We all know that it protects our interests throughout the world. From supporting U.S. peacekeepers in Haiti, to responding to oil spills in the Persian Gulf, the Coast Guard is there.

Their work has been exemplary, but it seems that, in spite of our budgetary restrictions and, consequently, the limitations we place on the Coast Guard's capabilities, we are always asking them to do more with less. I am especially concerned with some aspects of the Coast Guard's plan for consolidating and streamlining operations.

These may be necessary measures to respond to current budget realities, but my concern is the safety of the nation's boaters and fishermen, and the protection of our coastal resources. I do not want to see them placed at risk because of the pressures our actions place on the Coast Guard to successfully live up to the high standard of excellence that it has set over the years.

I look forward to Admiral Kramek's testimony this afternoon, and to working with the administration to develop authorization legislation that allows the men and women of the Coast Guard to continue their proud tradition of service.

I thank the Chairman. And, on behalf of my State, I thank the Coast Guard.

STATEMENT OF ADMIRAL ROBERT E. KRAHEK, COMMANDANT, U.S. COAST GUARD

Admiral KRAHEK. Well, Senator, I have written testimony that I would like to submit for the record and make a short oral summary of that.

Senator STEVENS. We will put your statements in full in the record.

Admiral KRAHEK. It is certainly a pleasure to be here to present to you the Coast Guard's 1996 budget request and some plans beyond 1996, which we call our multi-year budget strategy, but better known in the Administration and on the Hill as streamlining.

At the table with me is Captain Terry Cross, my Chief of Programs, on my right, and Captain Erroll Brown, my Chief of Budget, on the left.

Our Coast Guard today is a team that we can all be proud of, both you and I, and the American public are proud of it. During this hearing, I will try to discuss the budget in the context of who the Coast Guard is and what we do for our public.

Business is very good for the Coast Guard. I travel extensively. I spend a lot of time with my operational commanders. They are very, very concerned about the amount of work they have to do. I tell them that business is good, and we have about 10 or 15 percent more than we can do and accomplish all at once, if we were to do it all at once.

But we manage our workload based on national security and mission priorities, and I think it is healthy for all of our people that

we have more work than we can do, as long as we can accomplish the most important things that America needs.

We put a plan together that will accomplish all we have been tasked with, a plan that builds on our success of being lifesavers and guardians of the sea for over 200 years.

We think we can do it, and I know we can do it for less cost and a smaller force than we have in the past by the concept of streamlining, which I will spend some time explaining to you and answering questions on today.

The plan also features our No. 1 asset, and that is our people. I would like to say that our people are a team that often is not seen as a team working together. By that, I mean we usually only focus on the 45,000 active duty and civilian personnel of the Coast Guard.

I also include in a very large way, a responsible way, the 8,000 selected reserves and 35,000 volunteers of the Coast Guard Auxiliary, because I have the reserve force and the auxiliary force more integrated and working together with our active forces than ever before. And we continue to move in that direction.

Our resources, Mr. Chairman, provide \$4 in benefits for the public for every \$1 invested in the Coast Guard, and we are very, very proud of that. We look at benefit costs on all of our missions, beside the type of service to the public that we have.

We have just a wonderful and unusual service, where almost everything we do is helping people. So we have a lot of very talented, wonderful people wanting to work with us and join the Coast Guard. They are very reliable, well-trained, and they work very, very hard.

People first becomes a major issue for us, because our goal is to be the premier maritime service in the world. We always strive to be that. We always strive to be SEMPER PARATUS, ALWAYS READY. We are very valued for our responsiveness. It is our men and women who do that. They do not ask for much.

At sea, they are underway 180 days a year or more. In fact, the way we decide on that is how long they can stay at home. They are only scheduled to be home with their families 135 days a year, because when they are in port, they also have to stand watches.

So we set a standard that all of our people should be at home with their families 135 days a year, and then we plan our operations and other schedules around that.

Senator STEVENS. Did you talk to the majority leader about that? I think that would be a nice plan. [Laughter.]

Admiral KRAHEK. I talked to my committee chairman in the House Appropriations, and he told me it was a wonder that I got anybody to join with that type of advertisement. But it is the same as the Navy and the other armed forces.

Pretty much, when you deploy, you usually think it is because you have to go out 180 days. But when you come back in, you have to stand watches, too. We all know that, that it is important to do rotations in shipyards and other things. So we plan on them being home with their families 135 days a year.

The average work week at our Coast Guard stations, which are the focus of us re-leveling at least 135 stations, is 68 hours a week.

That is what we expect our people to work, and they do not complain about that.

But at some stations they are working 80 to 90 hours a week, and at others, less. So a focus of our streamlining and re-leveling is to even out that workload for our people to 68 hours a week.

The work force has very strong leadership values; honor, respect, devotion to duty. They are proud of their condition. When I ask them what they need, they often tell me, "Just parity with the other members of the armed forces."

And as you well know, Mr. Chairman, sometimes all the things that are necessary for—the benefits for the Coast Guard are always included in our authorization with the other armed forces, but often, it is not included in the transportation or appropriation bills. We have to constantly come back to the appropriations committees and ask for help in that regard.

I need your help, Mr. Chairman and other members of this committee, to approve our plan for 1996. Our budget is one that takes an important step towards streamlining. It provides better government at less cost. It focuses on replacing assets to continue to do the job efficiently.

The 2-percent increase that the President has sent forward for us, I am very proud of. In this day and age of reductions and squeezing and making this smaller, I feel the Coast Guard has won the first round in the budget competition that we face every year.

It was not hard convincing our Secretary and OMB and the President that we needed a 2-percent increase, because we have had a very good couple of years.

In fact, this last year, we are very proud that the Secretary of Transportation awarded the Coast Guard the Gold Medal, which is usually reserved for an individual in the Department of Transportation who has done the most for transportation this year.

He awarded it to the entire United States Coast Guard, including our reserve and auxiliaries, and we are very, very proud of that. He wants us to continue our operational service to the public to the maximum extent that we can.

The budget also represents about \$80 million in savings that we are going to make. While there is a 2-percent increase in cash-flow, in order to take in all the built-in changes in our budgeted increases, whether they be pay raises or follow-on procurements and built-in entitlements, we have to pay for those ourselves, because my 4-year budget that has been given to me, a projection from OMB, is slightly declining in over a 4-year period. It actually tended to be about 10 or 12 percent the last 4 years than it is today.

So I have a plan to take care of all those built-in increases, those automatic increases, by coming up with savings. And that is a big reason for our streamlining plan.

I would say that our streamlining plan announced the savings of 4,000 Coast Guard personnel and \$400 million in operating expenses over a 4-year period. So it is very, very substantial.

We need the committee's help in approving our legislative package that we sent up to the Hill, which includes last year's authorization bill, because it did not quite survive the process last year—it was passed by the House, but it never got considered by the Senate before adjournment—and this year's authorization package.

I know you have had a chance to look at it. Your staff has had a chance to look at it. There are some very, very important things in there for Coast Guard regulatory reform, to make our merger be on an even keel, a level playing field, with those of foreign nations, so that it is not more expensive to build a ship in America than it is anywhere else, so that it is not more expensive for our shippers to sail the America flag than it is anywhere else.

We need the recruiting and retention tools for our people that are in that bill. We need some amendments for the Coast Guard Auxiliary that if I am to properly and fully use these 35,000 volunteers—and they volunteer in a very, very big way—then the act that established them, which happened at the time of the initial period of World War II, needs to be amended so that when they step up to the fleet with their ships, their planes, and their time, that at least they are covered by government insurance.

This is not hardly any cost at all for these backup things that ensure auxiliarists have some security and that their efforts will be protected when they have all their own property on the line to help the American government.

All of the things in our authorization bill will improve the Coast Guard, will help us streamline and keep us upholding our motto of SEMPER PARATUS as a service of very great value to the nation.

So I am happy to be here, Mr. Chairman, and I look forward to answering any questions you or other members of the committee have.

[The prepared statement of Admiral Kramek follows:]

PREPARED STATEMENT OF ADMIRAL ROBERT E. KRAHEK

Good afternoon, Mr. Chairman. It is a pleasure to appear before this distinguished committee today to discuss the Coast Guard's fiscal year 1996 budget. I look forward to a long and productive relationship with you, the members and their staffs.

As one of the United States' five armed services, the Coast Guard is a multi-mission organization that serves the Nation and protects America's maritime interests. The Coast Guard is a military operating agency that delivers a broad range of services directly to the public each and every day. We respond quickly, efficiently, and effectively to changing national priorities, emergencies, and natural disasters. We are the primary Federal agency with maritime law authority for the United States. We are the nation's premier maritime service.

I'm here today representing TEAM COAST GUARD. Our organization is made up of 37,000 military personnel, 6,000 civilian employees, 8,000 Selected Reservists, and 36,000 volunteer Auxiliarists. They are a very, very exceptional group of people. They staff and operate a wide range of operating and support facilities including in excess of: 230 cutters ranging in size from 65 to 400 feet, 1,000 boats, 200 fixed and rotary wing aircraft, 185 small boat units, 1,000 shore units including Marine Safety Offices, Air Stations, Training Centers and support commands all around the globe.

The Coast Guard has a rich multi-mission heritage steeped in the traditions of seagoing service. This coming August will mark the 205th "birthday" of the Coast Guard ... we are the oldest continuous seagoing service in the United States. The Coast Guard as we know it today was built on a number of building blocks beginning with the formation of the Revenue Cutter Service in 1790. Since then, to save overhead and provide the best service to the public, the Revenue Cutter Service was combined with the U.S. Lighthouse Service and the Life Saving Service to form the Coast Guard in 1915. In 1942, the Bureau of Marine Inspection and Navigation merged with the Coast Guard. We have a strong vision for the future ... one of service to the public, efficiency, strength, and continuous improvement. You can ALWAYS count on the Coast Guard ... we are SEMPER PARATUS—ALWAYS READY.

Our accomplishments are many ... in an average year, TEAM COAST GUARD conducts 44,000 law enforcement boardings, identifying 24,000 violations; seizes 76,000 pounds of marijuana and 62,000 pounds of cocaine; conducts 70,000 search

and rescue cases; saves 5,110 lives; assists 120,000 people; saves \$900 million in property; investigates 6,200 marine accidents; inspects 23,000 commercial vessels; boards 33,000 large vessels for port safety checks; processes 44,000 seaman's documents; responds to 12,400 oil or hazardous chemical spills; services 55,000 aids to navigation; and interdicts over 10,000 illegal migrants. The combined benefits to the public exceed our costs by over four to one.

Our unique, multi-mission, military capability allows us to maximize the use of our assets to the taxpayers' advantage. The best recent examples of our multi-mission flexibility were our leading role in managing the simultaneous mass migration of Haitians and Cubans fleeing their respective countries and our key role with the Department of Defense (DOD) in OPERATION UPHOLD DEMOCRACY. The units and personnel conducting those missions were the very same personnel who conduct many of our other missions everyday. Our high level of training coupled with the multi-mission capabilities of our assets allow us to meet emergent needs such as these whenever and wherever they occur.

As you may suspect, our people are the backbone of our service. They provide strong, versatile, flexible response capability ... Military, Civilian, Reservist, Auxiliarist, all essential members managing and operating ships; aircraft; boats; our command, control, and communications network, and logistics systems to respond to all of our many missions from oils spills to illegal migrants, from search and rescue to icebreaking, from port security to boater education. They do it all well, everyday. Sometimes the mettle of our people is tested to the limit. Recently, one of our rescue swimmers demonstrated the spirit, dedication, and fortitude common in our service. An HH-60 helicopter and a C-130 were dispatched to locate and assist a disabled sailing vessel adrift 350 miles off the coast of North Carolina. The helicopter arrived on scene after midnight ... the weather was extreme ... high winds, 20 foot seas, low temperatures. The rescue swimmer entered the water to assist passengers of the sailing vessel from the water into the rescue basket ... hoisting directly from the vessel was too hazardous. Before all passengers could be recovered, the hoist cable frayed, rendering it unsafe. The helicopter deployed a raft for the swimmer and departed for homebase. The swimmer entered the raft as it drifted away from the sailing vessel. The C-130 orbited overhead, reassuring the swimmer by radio that help was on the way. Despite a survival suit, the swimmer drifted in and out of consciousness due to hypothermia and was rescued 5 hours later by a Coast Guard helicopter. His body temperature was 92 degrees and he had ingested a considerable amount of salt water. The remaining passengers had stayed aboard the sailing vessel and eventually sailed the boat to safe harbor. The rescue swimmer has fully recovered and is again anxious for action. Thankfully, incidents such as this are infrequent, but this incident exemplifies the strength and dedication of our people, of whom I am very proud.

The Coast Guard performs four distinct, but uniquely interwoven core missions ... Maritime Safety, Maritime Law Enforcement, Marine Environmental Protection, and National Security. The Coast Guard's focus is to serve the American public ... they expect and deserve the best we can offer for their tax dollar. I am committed to remaining focused on our four fundamental mission areas. Our multi-mission character gives us unique ability to adapt to the often rapidly changing missions and demands placed on our people, aircraft, vessels, and facilities. I am extremely proud of the accomplishments of TEAM COAST GUARD this past year. In fact, Secretary Peña was too, and he awarded the DOT Gold Medal for Outstanding Achievement to all men and women of the Coast Guard for our extraordinary responsiveness, professionalism and service to the American public. I would like to highlight some of our recent accomplishments for which we earned this honor.

The fundamental essence of the Coast Guard is our role as lifesavers and guardians of the sea. Our MARITIME SAFETY mission typifies our rich humanitarian heritage. We are recognized all around the world as THE expert in maritime Search and Rescue (SAR). We are proud of our success in helping prevent maritime accidents, and we also remain ready to respond whenever and wherever disaster strikes. We continue to save lives and property at sea and on our large lakes and rivers ... every day. Fiscal year 1994 was an unusual year ... Coast Guard crews conducted over 51,400 search and rescue cases, saved nearly 25,000 lives, assisted over 111,000 other individuals, and saved or assisted property valued at over \$3.7 billion. A large portion of the lives saved or assisted were migrants in leaky boats and flimsy rafts who would not have survived their journey without Coast Guard assistance.

However, SAR is only one part of this mission ... our efforts in Aids to Navigation (ATON), Commercial Vessel Safety, Icebreaking, Vessel Traffic Services, and deployment of state-of-the-market navigation systems have earned our nation an unparalleled reputation for efficient, safe maritime commerce. Over 90 percent of our for-

eign trade is moved by water. Coast Guard maritime safety systems and programs are the linchpin in ensuring safe and expeditious movement of vessels within the transportation network. Our aids to navigation program is the finest in the world. Our developing Vessel Traffic Systems will add to that program. Our domestic icebreaking program, which conducted a record setting level of operations last year, is vital to the continuous flow of raw materials, finished goods and fuel oil. Our commercial and recreational vessel inspection programs help ensure safety for the public and the environment.

The Coast Guard has been the nation's principal MARITIME LAW ENFORCEMENT service since 1790. It is important that we maintain that capability. Our recent involvement in alien migrant interdiction operations required that I surge resources from other missions to allow the Administration's policy to be effective. We were very successful. The emergent need for resources to interdict alien migrants has subsided. Therefore, I have redirected sea and air assets back to their normally assigned missions. As a lead Federal agency for drug interdiction, I expect to dedicate approximately 12 percent of our operating funds to this mission in fiscal year 1996 in order to carry out the National Drug Control Strategy. Recently, the CGC VASHON, working with Navy and U.S. Customs Service units near Puerto Rico, interdicted two vessels intending to receive an airdrop of 1,100 pounds of cocaine. CGC VASHON spoiled the recovery, boarded and seized one of the vessels, and retrieved the contraband from the water. Just a few days earlier, CGC VASHON had seized another vessel carrying 6,000 pounds of marijuana and 520 pounds of cocaine. These and other interdictions have been a direct result of efforts by our intelligence coordination network, now involved in over 90 percent of our drug seizures ... these instances of working "smarter" save taxpayer dollars by freeing our assets from less efficient random patrols. To assist us in our enforcement efforts, we seek your support for our legislative proposal for authority to impose sanctions on operators of vessels and aircraft who fail to heed an order by an authorized Federal law enforcement agent to heave to or land.

As you know, we recently removed from service several cutters and aircraft, and implemented other staff reductions in response to Congressional direction to reduce drug law enforcement operations. These actions saved \$21 million in Operating Expenses by removing nearly all Coast Guard single-mission dedicated drug law enforcement assets, primarily air interdiction assets. With this budget, I can continue to pursue aggressively an effective drug interdiction program and carry out the National Drug Control Strategy.

We continue to dedicate adequate levels of assets to the Caribbean region for Migrant Interdiction Operations. Last year, our continuous presence off the Haitian and Cuban coasts resulted in the safe interdiction of over 64,000 migrants ... over 54,000 in a 4-month period ... the most intense interdiction operation we have ever accomplished. Illegal migration of aliens from the Dominican Republic and the Peoples Republic of China also continues to be a focus of our migrant interdiction mission.

The enforcement of laws governing living marine resources remains a high priority of our law enforcement program. Our efforts in this area are another investment in our Nation's future. Coast Guard fisheries enforcement operations help protect U.S. fisheries stocks from poaching and promote compliance with domestic fishing regulations. The continued viability of the fishing industry, both commercial and recreational, is heavily dependent upon our ability to strongly enforce fisheries regulations. We intend to do so to protect resources and the interests of the majority of fisherman who make their living while obeying the regulations. This is important, as the fishing industry contributes over \$50 billion each year to our economy. The restoration and maintenance of these vital natural resources will help boost revenue in the long term through controlled harvesting and prevent the erosion of an industry important to our economic and food requirements.

Improved enforcement and increased customer focus are the keystones of the Fisheries Enforcement Study Plan. This plan includes: improving interagency cooperation and coordination, including improved intelligence gathering and sharing with other Federal and State agencies; establishment of five regional fisheries law enforcement training centers that are actively improving the training and expertise of our fisheries enforcement people; increasing participation on the regional fisheries management councils to improve the enforceability of fisheries regulations. Improved relations with the fishing industry is essential to the success of this program. Dockside boardings to check for routine safety items have proved to be extremely beneficial in preventing maritime accidents and in reducing the impact of enforcement requirements on the operations of legitimate, hard-working fishermen. To ensure a greater level of safety for documented uninspected fishing vessels, we seek your support for legislation that will require operators of those vessels to have a

Coast Guard license. Our enforcement efforts at sea will continue to focus on domestic as well as foreign fishermen. Recently the CGC MALLOW, one of our 50 year old buoy tenders, seized the South Korean fishing vessel HAENG BOK No. 309 and its 300 ton catch of tuna. The vessel had been illegally operating within the U.S. Exclusive Economic Zone in the Western Pacific. This case resulted in a \$1 million fine and the cargo was seized representing a loss of \$2.3 million.

MARINE ENVIRONMENTAL PROTECTION continues to be a highly visible mission because of national concerns about all forms of pollution. We have continued implementation of the Oil Pollution Act of 1990 (OPA 90) to prevent, prepare for, and respond to oil pollution incidents. This program is the most comprehensive environmental protection effort we've ever undertaken. One of the most significant components of the Act is the requirement for vessel Certificates of Financial Responsibility (COFR). I am pleased to report the Interim Final Rule for COFR's became effective last July. Deadlines for compliance are staggered over a 3-year period, the first being December 28, 1994 for self-propelled tank ships. COFR's are a major step toward ensuring responsible parties in industry are financially prepared to respond to pollution incidents. In response to the provisions of OPA 90, a safety net has been crafted of vessel response plans; Area Contingency Plans detailing Federal, State, and local government response capabilities; and the National Preparedness for Response Exercise Program (PREP) to organize Federal and State agencies, along with industry to continuously test those response plans. And to meet the challenges of a truly overwhelming incident, the multi-agency National Incident Task Force was organized to bring national resources to bear on such catastrophes as the recent devastating pipeline ruptures, spills and fires in Houston, Texas. Recently, a shipping company was convicted of a felony violation of the Act to Prevent Pollution from Ships and the Oil Pollution Act of 1990 for intentionally dumping engine parts, wooden pallets, chemical cleanser, and plastic shrink wrap into the Mississippi River. The company faces stiff fines and penalties for its actions.

The Coast Guard is a significant NATIONAL SECURITY asset. We have been involved in every major conflict involving U.S. maritime forces since 1790. Recently, we worked alongside our DOD counterparts in OPERATION UPHOLD DEMOCRACY. In fact, Coast Guard ships were the first units to enter Port-au-Prince harbor to set buoys to ensure the safe passage of the large combatants and troop ships into the harbor. Our Port Security Units helped secure and later patrol principal Haitian ports to ensure cargo and personnel offload and recovery operations were properly protected.

I have recently testified before the Roles and Missions Commission for the Armed Forces. They like the way we are organized and may model some organizational plans using the Coast Guard as an example. We remain trained and ready to support DOD and the Joint Commands.

BUDGET STREAMLINING

Our responsibilities to the public include not only our statutory missions, but fiduciary responsibilities as well. President Clinton, Secretary Peña, and this Congress have set aggressive agendas to "streamline" government and reduce the Federal deficit while maintaining or improving service to the public. The American people want a less intrusive, leaner and more effective government. Indeed, the Federal Government must change materially to fulfill this mandate. The proposal for organizational and programmatic reform announced on December 19, by the Secretary and the President outlined a restructured Department of Transportation with the objectives of returning more choice and authority to the States and local governments, consolidation of departmental programs and organizations, streamlining and eliminating duplication. I strongly support the objectives of the President and the Secretary. The Coast Guard's fiscal year 1996 budget request helps fulfill those objectives. I seek your strong support for our plan and for the legislative tools we need to execute key elements of that plan.

The Coast Guard's fiscal year 1996 budget request is consistent with the Administration's priorities. Most importantly, I believe it provides the resources we need to continue to deliver essential services to the public. In developing our fiscal year 1996 resource adjustments, we again employed specific criteria to ensure that we made good business decisions. Specifically, our reduction efforts aim to sustain our level of service while continuing to:

- Reduce overhead and administrative costs.
- Minimize organizational and management layers.
- Examine opportunities to exploit existing and emerging technologies that could improve mission efficiency and productivity.
- Reduce or eliminate older, maintenance intensive, and relatively low productivity assets, while preserving and replacing, where necessary, the infrastructure we need to serve the taxpayers more efficiently.

The Coast Guard is already responding to the call for smaller, better government at less cost. I believe the Coast Guard is the taxpayers' best investment. Our return on investment is four to one, with potential for better return through streamlining and investment. By streamlining our infrastructure and investing in new, high technology assets, we will be able to provide essential services to the public at less cost. We have done a great deal already. In fiscal year 1994 and fiscal year 1995 we streamlined the Coast Guard by reducing our recurring need for people and funding. Streamlining initiatives in those budgets eliminated over 1,250 full-time equivalents and produced over \$200 million in annualized savings. Our fiscal year 1996 budget request is the second phase in a multi-year streamlining plan ... we propose streamlining initiatives that eliminate nearly 1,100 full time equivalents and produce over \$100 million in recurring savings. In fact, this budget request represents the smallest Coast Guard workforce since the mid 1970's, performing a broader scope of missions. We propose to eliminate less productive programs and facilities, combine others to fully utilize capabilities of all assets and to acquire state-of-the-market systems. To accomplish this, our budget request includes cutter decommissionings, aircraft resitings, small boat unit consolidation and realignment, and the continued acquisition of new, high-tech assets such as seagoing and coastal buoy tender replacements, buoy boat replacements, and several communications, vessel traffic and information systems.

Specifically, our fiscal year 1996 budget includes reductions, which when fully annualized, total over \$100 million; and it provides for essential Coast Guard infrastructure investment critical to maintaining efficient service. For example, our request proposes streamlining initiatives that would ...

- Reduce administration and overhead in thirteen separate areas totaling nearly \$11 million.
- Reduce operating resources including: decommissioning three cutters and reducing crew size on others; reducing selected maintenance and ammunitions needs; and closing, releveling and consolidating small boat units for a total savings of over \$14 million.

- Capitalize on beneficial application of technologies through efficiencies made possible by State of the market communications and information systems and postal system improvements for a total of over \$11 million.

These and other initiatives included in our budget are essential to meeting Presidential and Congressional reduction goals. I need your help to carry out our plan.

The Coast Guard is a people-intensive operating agency that delivers services directly to the public...about two-thirds of our budget pays and provides for our people ... therefore, a major portion of savings must include reduction in the size of our workforce. This budget proposes to reduce our workforce by nearly 750 people. However, it takes time to reduce the workforce by such magnitude. We are employing a structured plan, similar to that of DOD, to ensure mission performance is not degraded significantly and that our people are treated fairly, equitably, and with parity to other military services. In some areas, our missions are changing. Therefore, it is imperative that our remaining workforce possess the right skills in the right jobs and operate modern, efficient equipment. This budget seeks funds to help us do that. Personnel management programs including recruiting and retention tools will help us to continue to streamline our workforce fairly in selected specialties while attracting and retaining personnel needed to match our operational streamlining initiatives. We will continue to do all we can make the Coast Guard leaner while sustaining our effort to become an even better employer of choice for the entire spectrum of the nation's personnel resource pool.

PRESIDENT'S FISCAL YEAR 1996 BUDGET REQUEST

To summarize the President's fiscal year 1996 budget request for the Coast Guard, a total of \$3.833 billion is requested. The request breaks down as follows: \$2.618 billion for Operating Expenses; \$428 million for Acquisition, Construction and Improvements; \$30 million for Boat Safety; \$64.9 million for Reserve Training; \$25 million for Environmental Compliance and Restoration; \$22.5 million for Research, Development, Test and Evaluation; \$2 million for Alteration of Bridges; \$582 million for Retired Pay; and \$60 million for the Emergency Fund.

OPERATING EXPENSES

Our fiscal year 1996 request for our Operating Expenses (OE) Appropriation continues rigorous "streamlining" initiatives. The \$2.62 billion requested will fund continued operation and maintenance of a wide range of multi-mission vessels, aircraft, shore units, and aids to navigation. This request contains no new initiatives and accommodates nearly \$84 million of non-discretionary increases, such as pay raises and cost of living adjustments, plus \$7.5 million to operate equipment and maintain buildings put into service last year. To offset these costs, we have identified nearly \$82 million in reductions. Again, these will total over \$100 million when fully

annualized. As I mentioned earlier, our fiscal year 1996 budget represents the second installment in a multi-year streamlining plan. Of note, this budget year's installment includes a small boat station streamlining process that relevels resources, reduces redundancies and consolidates low workload sites, provides additional resources where service demand has outstripped response capacity ... and produces budgetary savings. This process has been favorably endorsed by GAO as one that "should provide the Coast Guard and the Congress with a reasonable basis for determining the appropriate number of stations and resources for those stations." I highlight this as an example of our continuing efforts to streamline the Coast Guard, while maintaining our level of services to the public. This is a good business decision; however, these benefits exist only when this system is treated as a whole. I ask for your support in maintaining the synergistic national benefits of this process.

ACQUISITION CONSTRUCTION AND IMPROVEMENTS

Adequate investment is essential to the vitality of our service. We cannot become more efficient if we are not permitted to replace old, maintenance intensive equipment or employ new technology including management information systems. Secretary Peña and I must rely on having a properly capitalized asset base as we reorganize the Department and streamline the Coast Guard ... investment now is more important than ever if we are to realize required savings in operating funds. The Coast Guard's Acquisition, Construction, and Improvements (AC&I) appropriation funds the procurement of new ships, aircraft, information systems and shore facilities, the assets most critical to our delivery of service to the public. We simply must continue to replace our older assets with state-of-the-market equipment and efficient shore facilities to realize the savings in personnel and operating costs needed to meet outyear reduction targets. However, the pressures of these targets must not force us to mortgage our future. We must continue to make capital investments now. Clearly, investment now will "pay dividends" later. Let me give one example. Our new seagoing and coastal buoy tenders will replace inefficient, 50 year old ships with modern, high-tech vessels. We will replace the combined fleet of 37 ships with 30 ... the new ships will be faster, have oil cleanup capability, icebreaking capability, automated to operate with smaller crews. After the fleet is fully on line, these new buoy tenders will save about \$25 million in operating funds annually ... a capital investment which yields future savings—that makes good business sense.

We are requesting \$428 million for our AC&I account, which will meet our needs this year. Although our request represents an increase over the amount appropriated last year, it is substantially less than the average amount we have estimated we need to recapitalize over the long term. Currently, the Coast Guard's capital plant replacement value is approximately \$18 billion. Using historically proven lifecycle estimates, our recapitalization rate is about \$610 million per year. I ask for your support this year in getting us back to a lean, but more workable AC&I funding level than previous appropriated levels by supporting the administration's requested funding levels. It is important that we invest in the Coast Guard's future.

BOAT SAFETY

For fiscal year 1996, we are proposing a shift in funding to support State recreational boating safety programs. The BOAT SAFETY Appropriation was established to provide financial assistance for States' recreational boating safety programs in order to encourage greater State participation and uniformity in boating safety efforts. These funds are currently appropriated from the Boat Safety Account within the Aquatic Resources (Wallop-Breaux) Trust Fund as discretionary funds. Although this appropriation only supports State recreational boating safety programs and national non-profit public service boating safety grants, it is scored against the Coast Guard's discretionary budget. Similar funding at the Department of Interior is scored as mandatory funding. The appropriation is funded completely from trust fund moneys derived from motorboat fuel taxes paid by the boating public and the appropriation is used solely to support those State efforts.

Our fiscal year 1996 budget recommends \$30 million in mandatory budget authority be provided for funding assistance to the States' recreational boating safety programs, to cover administrative costs of the program, and to fund the non-profit public service organization grant program in support of recreational boating safety. Our request proposes to eliminate funding for State boating safety grant programs from the discretionary Boat Safety Account appropriation. The request presumes and depends on the enactment of authorizing legislation to provide the transfer of additional funds from the permanently appropriated Sport Fish Restoration Account, also within the Aquatic Resources (Wallop-Breaux) Trust Fund. The Coast Guard acknowledges the significant accomplishments and value of the States' boating safety programs and desires to ensure stable funding for such programs without compromising the Coast Guard's ability to deliver other essential operational services

to the public. As a result of the fiscal year 1995 Coast Guard appropriation, approximately \$20 million in funds which would have been deposited in the discretionary Boat Safety Account will roll over to the mandatory Sport Fish Restoration Account. Under proposed legislation included within the Coast Guard's 1995 Authorization Bill, this \$20 million would be combined with \$10 million in mandatory funds currently provided under the Oceans Act of 1992, and transferred to the Secretary of Transportation for allocation by the Coast Guard to the States for boating safety programs. The Coast Guard will no longer derive funds for our operating programs from the Trust Fund, but we will continue to oversee and coordinate the National Boating Safety Program as supported by our Operating Expenses appropriation. Likewise, the Coast Guard Auxiliary will continue to conduct courtesy inspections of recreational boats and offer boating safety courses. And of course, the Coast Guard's network of coastal multi-mission stations, aircraft, and cutters will continue to stand always ready to assist the recreational boater in time of need.

RESERVE TRAINING

Our request for \$64.9 million for the COAST GUARD RESERVE will maintain the Selected Reserve force at a strength of 8000. Essential support for mobilization requirements in strategic outload ports and direct defense support requirements will be maintained at a level consistent with DOD planning and mobilization requirements. Equally important, is our Reserve component's role as an essential element of our ability to respond to national emergencies. They are an equal partner with our active-duty, civilian and auxiliary members in "Team Coast Guard."

Our Reserve forces have more than proven their worth working alongside our active duty regulars during the Haitian and Cuban mass migrations; responses to natural disasters such as hurricanes, floods, and earthquakes; and in implementing a new plan for even more involvement in our day-to-day operations. I have implemented policy to more fully utilize our reserve forces to augment our active duty personnel in conducting the full range of our missions. Reserve and active duty personnel will share common facilities, training programs and personnel management systems to reduce redundant overhead and capitalize on unique capabilities of our reserve personnel. The Ninth Coast Guard District, which manages the Great Lakes region, prototyped this concept with great success. This concept will become reality Coast Guard-wide. Additionally, I have directed that at least one multi-mission small boat unit per district be staffed and run by a reserve crew. The Ninth District has staffed Station Plum Island (seasonal) on Lake Michigan for years this way. Another example of "Team Coast Guard" at work.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

The President's fiscal year 1996 request included \$25 million to continue our Environmental Compliance Restoration (EC&R) program for Coast Guard site restoration and other compliance related action required to comply with Executive Order 12088 and Federal, State, and local environmental laws and regulations. Over \$13.5 million of our request would fund remediation of the most serious contamination problems at sites in Alaska, North Carolina, and 74 less problematic sites throughout the Coast Guard as well as continue our aids to navigation battery remediation program. The Coast Guards backlog of sites requiring remediation exceeds \$200 million. Nearly \$6 million of this appropriation will be dedicated to proactive environmental compliance activities. A large portion of these funds will be spent on baseline studies for most Coast Guard installations to meet the November 1995 permit deadline of the Clean Air Act. Failure to procure these permits would place our installations in violation and at risk of shutdown by regulators. The balance of the request would fund compliance programs and personnel costs.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The President's fiscal year 1996 request included \$22.5 million to continue the Coast Guard's Research, Development, Test and Evaluation (RDT&E) program. These funds would be used to examine how scientific and technological developments may be used to solve problems encountered in the performance of Coast Guard missions or how those developments may present opportunities for improving mission performance. Examples of our RDT&E program allowing us to work more effectively are: the Laptop Automated Aid Positioning System which allows us to more quickly and accurately position aids to navigation; application of the differential global positioning system to significantly improve accuracy of navigation for all mariners and improve the speed with which the Coast Guard positions aids to navigation; Self Locating Data Marker Buoys which reduce on scene time of our aircraft during search and rescue cases; and miniaturization of an ion scanning device (reduce from 200 pounds to 25 pounds to ease portability) proven to be extremely effective in detecting even trace amounts of contraband aboard vessels. These, and many other projects, are helping us develop and apply technology to reduce cost and more effectively employ our people and operational assets.

ALTERATION OF BRIDGES

I have requested \$2 million for the Alteration of Bridges appropriation to continue work on the alteration of the Burlington Northern Railroad bridge over the Mississippi River at Burlington, Iowa. As you know, this appropriation was established to provide Federal funds to pay a share of the cost to alter or remove bridges determined to be unreasonably obstructive to navigation on the navigable waters of the United States. Our fiscal year 1996 budget requests no appropriation of funds for alteration of highway bridges. Consistent with Appropriations Committees' direction in our fiscal year 1994 budget, funds for alterations to highway bridges would be derived from the Discretionary Bridge Program of the Federal Highway Administration. Our 1995 Authorization bill includes language that would allow funds transferred from the Federal Highway Administration to address these obstructive highway bridges. Railroad bridges would continue to be funded through the Truman-Hobbs "Alteration of Bridges" appropriation.

OUTYEAR STREAMLINING PLANS

In general, the fiscal year 1995 and fiscal year 1996 budgets have included streamlining initiatives which could be planned and executed in a relatively short timeframe. As we look just over the horizon, I believe more substantial planning and longer timeframes will be required to implement the more difficult streamlining initiatives necessary to meet our outyear target reductions. Continued streamlining and in some cases, restructuring offers the greatest potential to achieve the savings we seek. The Coast Guard recognizes this and has undertaken an unprecedented effort to examine the possibilities of how the Coast Guard may be modified to an even more efficient and effective organization through streamlining our organizational and training infrastructure. I have thoroughly reviewed preliminary streamlining plans. My preliminary expectations are to reduce overhead through restructuring of Headquarters and field commands including Area Offices, Maintenance and Logistics Commands and District Offices. We are also examining the possibility of combining two or more of the four major training facilities currently in use. Additionally, we are taking a very close look at transferring Coast Guard functions off of Governors Island. We would maintain current direct services to the public through units relocated to lower cost facilities in the New York area. Other operating units would be relocated closer to their primary operating areas. Regional oversight commands would be relocated to other Coast Guard facilities to leverage overhead. I expect to pass my recommendations to the Secretary this Spring with an expectation to begin to realize savings in fiscal year 1997. The results will be sound business decisions and will be in concert with Secretary Peña's plans to restructure the Department of Transportation to better meet the nation's transportation needs now and in the next century.

This budget has been developed to allow us to meet our responsibilities and help to reduce the Federal deficit. It also supports my vision for the Coast Guard. I am committed to the Coast Guard being a strong intermodal partner in the Department of Transportation and to building on our reputation as the world's premier maritime service. To accomplish those objectives, we must attract, train, and retain the best workforce possible. To that end, parity with DOD in all pay and compensation matters is extremely important. We must continue to aggressively pursue our quality management programs and derive the most possible benefit from our people and material assets. We must recapitalize our equipment and exploit technology to the fullest to enhance mission performance, allow us to streamline our organization, and ensure our future capability. We must have adequate operating funds ... without them, we won't be able to sustain the services the public depends upon and expects from the Coast Guard. Additionally, I seek your support for our request for \$28.3 million as an Emergency Supplemental request for fiscal year 1995. Those funds are essential to our recovery from the unprecedented high operational tempo in the Caribbean region last year. The long-term material condition of our operating assets depends on accomplishing maintenance deferred as a result of those operations.

In closing, I look forward to working with the members of this distinguished committee. We are continuing to build upon close working relationships with your staffs and stand ready to work with them in supporting this budget. I ask for your help by passing the Coast Guard's Authorization bill which contains many important provisions, including legislative proposals for critical programs such as Boating Safety, regulatory reform, personnel management initiatives, and Auxiliary liability protection. Mr. Chairman, I share your deep concern in keeping the Coast Guard Semper Paratus ... I look forward to your strong support.

I would be happy to answer any questions you may have.

Senator STEVENS. I have some questions and some questions from members who are not with us. We will try to go through

them. Some of them we will submit to you, Admiral, if that is all right.

Admiral KRAHEK. Yes, sir.

Senator STEVENS. Let me start off. You have a budget here for 2 years. But for the second year, it just says, "Such sums as are necessary."

I might say parenthetically that used to be the way we did things, and I enjoyed it a lot better that way—as a member of the Appropriations Committee, that is.

But what do you think? Should we really try for a 2-year authorization, or should we continue to try to do it annually? When are you going to fill in those gaps on the second year?

Admiral KRAHEK. I think we are going to give you the numbers annually. This is a 2-year authorization for the authorization language in the different legislation that we need.

But I can tell you without even knowing what the numbers are in 1997 budget, which the President will send up next year, that the Coast Guard budget will be almost identical today, as far as the bottom line is concerned, because I have no real growth by the OMB targets on the follow-on. And, in fact, I have agreed to streamline the Coast Guard by 12 percent over a 4-year period.

So, as I said, I am going to be required to take care of all our built-in changes by streamlining and other savings and overhead and expenses and still maintain our service to the American public.

So I expect, if there was any increase next year, it would be probably 2 percent again, because the rate of real growth is probably a little higher than that, five, five and a half or so. So we are asking for less than the rate of real growth to maintain our services.

Senator STEVENS. Are there other portions of the bill, in addition to the authorization for appropriations, that you would sunset after 2 years? We are putting together a substantial bill here.

Admiral KRAHEK. Oh, I think the authorization legislation is a 2-year bill, and that is just fine, because it picks up what never came to the floor of the Senate in 1995, plus what we needed in 1996.

Our numbers on that bill say fiscal year 1996 and 1997. I think yours is 1995 and 1996, which is the same. It is the same period of time that we are talking about.

Senator STEVENS. One of the things that we discussed, I think, previously was the problem of children with life preservers. There is a provision in this draft bill to require life preservers for children, but we do not have a concrete penalty for violations. Could you tell us your thoughts?

The draft would allow the Coast Guard to establish the penalties under the General Recreation Boating Section of the U.S. Code.

I personally believe in it, but it will require the parents of children to make sure that they—if they are 6 years or younger—wear an approved flotation device whenever they are on the deck of a vessel that is less than 26 feet in length.

That is going to be a little controversial in some circles, I think.

Admiral KRAHEK. Well, it will get controversial, especially if the fines are as severe as the regular Boating Act fines, and they may be a little bit too severe.

We might have to make a modification to that, because we do not want the fine to be so much or the penalty so much that it will discourage people from going out on the water. People just really cannot afford that.

Those fines that are listed are the maximum possible. I would hope that if somebody—a 6-year-old child or a 5-year-old was not wearing a life jacket, and it was the law that they should follow, then we should call them over and remind them of that, rather than awarding a penalty, more on the line of a misdemeanor.

Senator STEVENS. Well, I suggest we might look at some kind of a warning concept. Being a father of six children, I would like to find the father that could keep children under six wearing life jackets. At one time, Admiral, I had five children under five. I can tell you that to keep floatation devices on all five at the same time would have been a real chore.

Admiral KRAHEK. You would have never had time to go fishing, Mr. Chairman. You would have been putting your life jackets on—

Senator STEVENS. They can come off as fast as you possibly can think of it. That is why I just worry a little bit about the concept of a penalty there. I just think there has to be a lot of common sense in the administration of that, or it is going to lead to real difficulties.

Admiral KRAHEK. We need to work on that and add some common sense on that, so that we encourage people to wear them rather than to discourage anything from happening.

Senator STEVENS. Let me welcome our two colleagues from Maine and Louisiana. We did have some opening statements. I would be happy to yield if you have any opening statements.

Senator SNOWE. No, I don't. Thank you, Mr. Chairman.

Senator STEVENS. Admiral, could you give us your comments on the State Boating Safety Grant Program proposal for the record?

We have included the safe boating provisions in the draft bill, but we have not had a formal statement of the Coast Guard concerning their support for it. I would appreciate it if you could just do that for the bill.

Admiral KRAHEK. Well, I think it is very, very important to have a State boating grant program. The amount of boating accidents as a result of that program and the efforts of the Coast Guard Auxiliary and power squadrons and other people involved with boating safety have been responsible for reducing deaths in the boating public from perhaps 22 or 23 per 100,000 of the population to less than 4 right now.

These grants need to continue. However, we have had an anomaly in government whereby the grant money that was provided to the Coast Guard through the marine fuel taxes, the Wallop-Breaux fund, if you will—

Senator BREAU. We will. [Laughter.]

Admiral KRAHEK. It was passed on to the States. Then that money was scored against the Coast Guard operating expense budget, even though it was a grant program spent directly on it.

So what our legislation does is to provide the vehicle where that money is still provided to the Coast Guard, given to the States as a mandatory program then, rather than discretionary, and it is not

scored against operating expense budget. Then it will be similar to other portions of that money and other grant programs that are not scored against the agency.

So that is what the legislation hopes to achieve, Mr. Chairman.

Senator STEVENS. That may be controversial. That may make it into an entitlement, Admiral, and I am not sure—

Admiral Kramek. Well, I think the Department of the Interior has other portions of the fund, and they pass it onto grants in the State. That is also a mandatory grant program, a mandatory appropriation.

It is not scored against the Department of the Interior's operating expense or bottom line. It just makes us on an equal basis with them.

We have not asked for money in our budget this year in the hopes that that appropriation, authorization, will be approved for this change. And it makes the scoring of this bill in the government equal to all others of that type.

Senator STEVENS. I know it is scored somewhere. It may not be scored against you, but it is going to still be scored. And, I think we may have some trouble with the Budget Committee about that.

Let me ask you this: Alaska does not have a program. We have always been led in that program by the Coast Guard itself. We do not take the grants.

What is going to happen to Alaska if it is a mandatory grant program, and you do not have the money in your budget anymore?

Admiral Kramek. Well, we still have a boating safety program in Alaska. But on that accord, I personally met with Governor Hickle this last summer, and I presented him with the statistics that the highest amount of boating deaths per capita were in the State of Alaska.

I encouraged him strongly to participate in the boating safety program that the Federal Government has, so that he can receive his share of grant money.

He told me he felt that he thought it was a good idea, but he had traveled around to all the towns and villages, and his constituents were against it, because they wanted independence, and that was the sense of the people at the time. So he said he did not care to be included and would still count on us for when he had problems in that area.

So I tried to work with the State, Mr. Chairman, on that, to have it adopted. I think it is in their best interest to do that. Perhaps with the change in Governors there, perhaps a new Governor might be more receptive. But I did approach Governor Hickle on it.

Senator STEVENS. I think the problem is, with the small population and such a large coastline, we get more assistance from the Coast Guard without taking the money into the State. Your people actually administer the safe boating program in the State of Alaska today.

Admiral Kramek. Yes. That is the only State that we do do that in.

Senator STEVENS. That is my question to you. If we follow your request and make it, a mandatory grant to the other States, where are you going to get the money to do the safe boating program in Alaska?

Admiral KRAHEK. Right now, I am doing the safe boating program charged to the 2-percent—we take 2 percent of the administration of that account to cover places like Alaska.

And I do that with my people that are doing search and rescue in Alaska in my regular stations. I do not have a special program, if you will, for boating safety there. I do it with the regular multi-mission stations that are already in Alaska.

Senator STEVENS. OK. Your request—and I am just going to ask two more questions here. Your request for the Coast Guard reserve is actually less than last year. And yet, the statement in your request is that you can continue the strength at 8,000 members. Will that strength and funding meet your needs from the reserve?

I would have anticipated that the reserve might be going down slightly, if your funding continues on a trend line down.

Admiral KRAHEK. I agree that that is what we are looking in the budget, one might assume, but I made a major change in the reserve program, one that I told the Department of Defense about. They are quite enamored with what we have done.

I am integrating the entire reserve program with the active duty program. Then the reservists will augment our active duty units which they train with for their mobilization role.

That means that I have been able to eliminate, or I am in the process of eliminating, almost the entire overhead of the Coast Guard reserve, because they are not going to need to have their own personnel reporting units, their own training units, their own administrative hierarchy.

By integrating them with our active duty units, I can eliminate all that and take care of their administration that way.

That way, when they are trained to augment our stations on busy weekends or when they are deployed, they are more ready. They are delighted with this concept of integration, and they have termed it Team Coast Guard.

Senator STEVENS. Does that mean, then, that each of your reserve units will be identified with an active duty unit and integrated into it?

Admiral KRAHEK. It will, except for the three or four that we need for direct mobilization, those that are hard defense command personnel, or four security units that we just deployed to Haiti to fulfill the CINCs plan, as an example, or that we sent to Kuwait for Desert Storm.

Those types of operations are distinct and train by themselves. But that is less than 1,000 people of the 8,000 people—

Senator STEVENS. I said I was going to ask two, but I have one other that is very acute to me, and that is: You have \$2 million in this budget now for the Coast Guard to assist in the Summer Olympics in Georgia. As you may know, the concept of Federal assistance to the Olympics under attack.

I am very much in favor of the Olympics assistance. I think we have to have safety and security and not invite something like another Munich when we hold a summer games in our country with people from all over the world.

What role will you be playing in terms of that money? Can you give us something for the record?

Admiral KRAHEK. Yes, I can. Our role will be strictly safety and security. I would say that in past Olympics it was not always that case.

There were more things that we did. In this particular case, we looked very, very hard at this last year, and I restricted it to providing only the search and rescue and the security boundaries for the on-the-water and marine type of events.

We will be doing it using a lot of auxiliary, a lot of reserves. It will cost about \$2 million. I feel that is a very austere amount given the type of events and the extent of things that will be taking place. But it will be very, very limited to the search and rescue and security aspects.

Senator STEVENS. The security aspect is really marine law enforcement during the activities of the Olympics.

Admiral KRAHEK. Well, as an example for the Olympics, for the Statue of Liberty celebration in New York, those types of things, our captain of the ports restrict use of the harbors.

There are anchorages that are provided for people to allow for maritime travel to occur at the same time the Olympics are occurring. That takes a lot of notification, patrolling, law enforcement.

In the case of some of these events, we have as many as 40,000 boaters on the water that need to be in the right place at the right time so that they are not impeding traffic and causing a safety problem or getting into trouble themselves.

That happens—and we are also there for search and rescue—with all those people on the water trying to get close to all of these events, to make sure that they are safe.

Senator STEVENS. Who specifically will undertake that? Will it be—

Admiral KRAHEK. I have a captain right now assigned to the Seventh District commander in the Miami. That is his region. He is already putting together the operational plans on how to do that.

When that program kicks off, the closer we get to the event, we will augment him with a small staff. But we will also be using a lot of reserves and auxiliary units.

Senator STEVENS. Thank you.

Senator Kerry?

Senator KERRY. Thank you very much, Mr. Chairman.

Admiral following up on the conversation that we had in my office, what is different about the Coast Guard mission today versus 5 years ago and 10 years ago?

Admiral KRAHEK. There is hardly any difference whatsoever, other than differences within program areas. And I should explain that by saying that for the last 5 or 10 years, we have probably always had a third of our funds in maritime law enforcement.

But the differences from year to year as to drug law enforcement, fisheries law enforcement, migrant interdiction, which are the three primary areas of that program, have varied fairly radically.

The other programs are fairly stable, other than marine safety and marine environmental protection which have increased. The search and rescue program has decreased slightly in terms of funding, not in terms of busyness, thus enabling us to use a lot more technology to do our job there, and we need less force to do it.

Senator KERRY. Let me try and pin you down a little more on that. You mentioned the traffic, the number of boats, correct? There is a significant increase in the number of boats, are there not, on the water?

Admiral KRAHEK. There is a significant increase, yes.

Senator KERRY. OK. What is the number you are dealing with today?

Admiral KRAHEK. Oh, I think probably 19 million boats nationwide and perhaps 51 million boaters, those people that are on them.

Senator KERRY. And that is a dramatic increase on an annual basis, is it not?

Admiral KRAHEK. I would say it has been steadily increasing each year, 4 or 5 percent every year for the last 10 years or more.

Senator KERRY. And with respect to immigration interdiction and enforcement, that has significantly increased, has it not?

Admiral KRAHEK. Well, especially since—1981, I think, was the watershed period when the Haitians started to come. We had a bilateral treaty with Haiti.

And also, the Cubans in that decade. And, of course, the pinnacle of that was this last summer where we interdicted some 56,000—

Senator KERRY. We continue to have a significant amount of the force deployed there, do we not?

Admiral KRAHEK. This last summer, we had every major cutter in the Atlantic area and some from the Pacific, as well. Thirty cutters, 30 aircraft, 60 boats and 7,000 Coast Guard personnel in the Caribbean, in the Straits of Florida—

Senator KERRY. Ten years ago, those ships were in the coastal waters of the United States.

Admiral KRAHEK. Or on fisheries patrol in the North Atlantic or in the North Pacific or on drug patrol in the deep Caribbean.

Senator KERRY. Now, in addition to the interdiction efforts with respect to illegal aliens, we have increased interdiction efforts with respect to narcotics.

Admiral KRAHEK. No, not increased interdiction efforts, Senator. I say that because we have been—our budget has been reduced to do that the last couple of years, and where perhaps almost 20 percent of Coast Guard resources 4 years ago were used for interdiction of narcotics—

Senator KERRY. Has shifted to—

Admiral KRAHEK [continuing]. Last year was 9 percent. This year we think it should be about 12 percent to carry out what the national immigration strategy, as promulgated by—

Senator KERRY. So we are underneath that. We are below it.

Admiral KRAHEK. Yes.

Senator KERRY. OK. And with respect to fisheries enforcement in New England with Amendment 5 and other issues between Canada, as well as other depleted fisheries, that has increased, has it not?

Admiral KRAHEK. Fisheries enforcement increased from about 8 or 9 percent of our real budget 3 or 4 years ago to perhaps about 14 percent or more currently. And it looks like 14 or 15 percent is about right for what we need to do this next year.

But as you know, there are rapid changes in the depletion. The fisheries management councils are asking for more enforcement. So there is potential growth there of enforcement from the standpoint of the depletion of fisheries.

Senator KERRY. And with respect to boating safety?

Admiral KRAHEK. With respect to boating safety, while there has been an increased number of boats, increased waterways usage, it has become much safer.

Senator KERRY. And you are suggesting—

Admiral KRAHEK. That is because there has been a tremendous effort by—

Senator KERRY. By Coast Guard personnel and State entities.

Admiral KRAHEK [continuing]. The Coast Guard and the States and that whole system that was put together, and some regulations, I should say, also, for better lifesaving equipment—everything from making sure the boat was built safely to operated safely and had the proper safety equipment, Senator.

Senator KERRY. Environmental compliance is up, is it not?

Admiral KRAHEK. Our activities to make sure that people are protecting the environment are up. Highlighted by the Oil Pollution Act of 1990, which required the Coast Guard to promulgate about 50 new pieces of legislation, some of it absolutely major, such as certificates for financial responsibility and oil spill contingency plans. It has been a major increase in work and business for us.

But compliance with the environment is up beyond what you might ever expect. I would use the certificates of financial responsibility, better known as COFR, as an example.

On the 28th of December, we were—the country, I think, was fearful in some quarters that there might be a—the oil supplies of the United States would be disrupted because the extra insurance or guarantees of insurance that oil tankers coming into the United States would have—that they would not be able to find that coverage, and oil supplies to the U.S. would be cutoff.

I can tell you that over 160 percent of the capacity in ship bottoms that we need to deliver oil to the United States now is covered by the new certificates of financial responsibility.

We have had only two or three interventions, and perhaps only two or three ships out of the thousands that have come so far have had to wait a day or two until they got their certificate.

We are boarding them all before they come in to make sure they comply. Compliance is over 99 percent.

Senator KERRY. But that requires your personnel being assigned and—

Admiral KRAHEK. Absolutely. We have to go out and inspect them, and then we also have to administer that particular part of the program.

Senator KERRY. Now, you maintain capital assets currently worth almost \$18 billion. You have 240 large ships, 210 aircraft, 24,000 buildings and structures. Using standard military planning factors, the Coast Guard itself estimates that about \$600 million is needed on an annual basis to replace and maintain this capital plan.

Admiral KRAHEK. Yes. That is our recapitalization figure, based on a 15-year capital investment plan looking out to the future. It is about \$600 million, \$610 million, on the average.

Senator KERRY. And that is a responsible approach.

Admiral KRAHEK. I think it is very responsible, because up until a year ago, we never had a 15-year capital investment plan. Usually, the horizon was only 5 years.

We have looked out 15 years as to what we need, and it does not look at a one-to-one replacement. It looks at replacing capabilities in certain areas.

Senator KERRY. But the truth is that AC&I budgets have fallen far short of that level in recent years.

Admiral KRAHEK. About half in some cases.

Senator KERRY. And major acquisitions have been spread or deferred as a result, correct?

Admiral KRAHEK. Yes.

Senator KERRY. I have not gone through all of the details here, but when I add up the substance of what you have just said, you have more responsibilities.

You have a huge amount of your fleet down in the Caribbean. You have more fish enforcement responsibilities, more environmental responsibilities, more boats on the water. That requires personnel. That requires presence. You have an acquisition goal that we are falling short of, and yet we are cutting.

Admiral KRAHEK. That's correct.

Senator KERRY. It does not make sense to me.

Admiral KRAHEK. Well, if we were to do everything all at the same time, it would not make sense, and you would be very, very worried. On the other hand, when I put all those vessels down in the Caribbean, I stopped doing a couple of other things. And I would—

Senator KERRY. Well, that is my point. There is sort of a robbing Peter to pay Paul mentality around here, a shell game going on. And there will be a day of confrontation at some point.

I mean, I want to ask you very bluntly. If you were sitting there—I know you have orders and directions and OMB sets a target and everybody says this is what you have to meet, and you have to go out and meet it—but is this the budget you would ask for if you could ask for the budget that you feel you need for the Coast Guard?

Admiral KRAHEK. I will say this year that I asked the Secretary for a budget and to meet the marks that I had to have, it was substantially less than what I asked for. When I asked the Secretary for an increase, he granted it.

So my budget, as far as the Department of Transportation is concerned, represents a significant increase, over \$60 million that the Secretary has plused us up to meet our operational commitments.

Senator KERRY. Well, I think—The reason for that is obvious. It is very hard to justify any of this reduction, so there is some mitigation of that. But I am not sure that that meets the standard that we ought to be applying.

It is not your standard; it is ours and our responsibility. I think there is safety at stake, long-term safety, and long-term capitaliza-

tion costs. These are issues that we ought to be thinking about in a responsible way.

And we should not be approaching this in a knee-jerk fashion. America needs a certain amount of investment in its future, as well as responsible cutting, to protect that investment capacity.

If the United States Coast Guard has a specific mission, I think we have to analyze whether you are capable of carrying out the mission we have asked of you.

Now, with respect to the Coast Guard budget for small boat stations—incidentally, this is not groundwork for the parochial concerns we have in Massachusetts, although we have them, and I suspect that the closing of stations has implications for numerous coastal communities of the United States.

I understand that the closing of 23 small boat stations provides the Coast Guard with \$6 million in savings. Now, let's look at the implications of those closings on the coastal community. In Menemsha, for example, there are some 450-plus rescues annually, is that correct?

Admiral Kramek. There were several hundred, yes.

Senator Kerry. It seems to me that the presence of the Coast Guard is important in a boating community of that size. I have been a boater all my life, and I know when you see a Coast Guard vessel, you think about your life jackets. You think about whether your fire extinguisher is showing red or green. You think about whether your registration is due. You are conscientious. You slow down. You do things differently.

There are more boaters out there and more people. And the national transportation safety board has stated, in its study of boating safety, "Recreational boating accidents currently result in the greatest number of transportation fatalities annually, after highway accidents." This concerns me.

Now, I think you know and I know that when that boat patrol is out there, people are more conscious of safety. It is like the cop on the street, and I am very concerned that in a place like Scituate or in Martha's Vineyard Sound or even in places where you do not have that visibility, there will be a diminishment of safety and practice.

I understand GPS is coming on line. People have positioning when they are lost. But there are many other circumstances besides getting lost that require a quick response. I would like to have your public reaction to the concerns that many of us have.

Admiral Kramek. In order to streamline the Coast Guard by the 12-percent figure that I gave you, it is necessary to take a look at everything we do.

We have looked at everything from small boat stations to major training centers, to our entire organization, to the siting of all of our aircraft in our 27 air stations, and all of those things together.

There are some things we can do because of better trained people, better equipment that this committee has authorized in the past. As an example, I was just on the West Coast of the United States and rode in our new 47-foot motor lifeboats.

We are getting ready to let a contract for 80 of those. They are going to go 27 knots, roll over, keep going and still keep going.

They are fantastic pieces of equipment, twice as capable as the ones we have.

At Cape Cod, we have the new HH60 helicopters that can go out 300 miles from the coast, drop a rescue swimmer in the water. They do it—about every 2 weeks, there is a very heroic rescue.

In some cases, they keep going on all the way to Bermuda to refuel. In some cases, we look for an aircraft carrier, or in some cases, we come all the way back, a 700-mile mission, unescorted because of the tremendous technology we have in that equipment.

In places like Menemsha, where we feel we have coverage within 10 or 15 miles either side of that station, and with these other improvements, if we thought we were risking lives, we would not suggest that we leave that area and go to the adjacent area.

Senator KERRY. But that judgment is—my time is up, but that judgment is based on rescue times.

Admiral KRAHEK. Judgment is based on rescue.

Senator KERRY. It is not based on deterrence.

Admiral KRAHEK. It is based on response time and the equipment we have, not based on the appearance and these other things that certainly I would agree with you would tend—

Senator KERRY. Could make a difference.

Admiral KRAHEK [continuing]. For people to be safer and make a difference. That is something that is not in the analysis.

Senator KERRY. Do you think it is fair that we should analyze the value of that deterrence measured against \$6 million?

Admiral KRAHEK. Well, I think that it is the reason that we have authorization committees and appropriation committees.

Senator KERRY. That is a wise answer. That is why you are—

Admiral KRAHEK. I will say what I have done, though, because I think it is important, Senator, that I am going to send a package up here to the Hill this May, I hope. I have spoken to the Secretary about it just yesterday. I hope I will have it ready for him to approve in April. And for one of the first times, you are going to see a 4-year budget plan with all of these together, so that we can meet our target.

And perhaps there are 15 or 20 percent of them that the committees may not want to approve, that maybe, even though they make good business sense, even though they make good quantitative sense, may not make good sense on what you perceive as service to the public. Those are the type of things, I think, that perhaps should not be approved.

But I would have to show you the whole package, so you can decide that.

Senator STEVENS. I am going to have to move on.

Senator KERRY. Thank you, Mr. Chairman.

Senator STEVENS. As I noticed it, Senator Snowe and Senator Breaux came in the door about the same time.

Senator BREAUX. She was first.

Senator STEVENS. Shall we—

Senator BREAUX. Let her go first.

Senator STEVENS. Chivalry is still alive with the Senator.

Senator SNOWE. Well, thank you, Mr. Chairman.

Senator STEVENS. He wants your vote on at least six bills.

Senator SNOWE. Yes. Right. It will be payback time. [Laughter.]
 Senator STEVENS: Ten minutes, please.

STATEMENT OF SENATOR SNOWE

Senator SNOWE. Thank you, Mr. Chairman.

I just have a few questions to follow up on some of the questions that Senator Kerry was asking you, Admiral. I know there has been a recommendation by the Coast Guard to eliminate 23 Coast Guard boat stations, and one happens to be in my state, in Eastport.

This has been an issue in the past, and it is a very difficult area. It is remote. The situation is rarely ideal for performing search and rescue.

And we had several incidents in the early nineties in which there were several search and rescues and saved lived. In fact, in one case, somebody did die even after the rescue.

Can you tell me what the plans are to follow up with search and rescue in that area? The nearest would be Southwest Harbor.

That is 4 hours by boat, again under ideal conditions. By helicopter, it would be Cape Code. It would take just as long to get there as it would from Southwest Harbor by boat.

I wonder what is the normal response time for search and rescue under any circumstances in performing your responsibilities, No. 1. And No. 2, what will be the search and rescue situation for that area? I mean, we have fishery—

Admiral KRAHEK. Our normal response time is that when you call for help, we will be there in 2 hours or less, saving 90 percent of the lives and 70 percent of the property.

That has been our performance standard for a couple of decades now. That is just the very basic. We would certainly like to do better than that all the time, but that is the outer reach of what our response is.

There are two stations in the United States that we propose to change that do not meet that criteria. One is in northern Lake Superior, and the other is at Eastport, Maine. Eastport is slightly outside that 2-hour response circle.

We would have to respond to Eastport from Jonesport, which is about 44 miles further south with its boats, or from Cape Code using the new HH60 helicopters and rescue swimmers.

In the last couple of years and what we project for the next few years, we had already made Eastport a subunit of Jonesport and other stations. It has 8 people there and one boat.

They have conducted 35 hours worth of work a year. So for the 35 hours worth of rescues that they have had and business that they have had, keeping those 8 people there for a whole year is just an expense that is hard to afford with the money that I have at my disposal.

Senator SNOWE. So you are suggesting that it will be Jonesport that will be conducting—

Admiral KRAHEK. Yes.

Senator SNOWE [continuing]. Which is a much smaller boat.

Admiral KRAHEK. Yes, that's correct. We would respond from there.

Senator SNOWE. A little more than 2 hours.

Admiral KRAHEK. That's right.

Senator SNOWE. And it will be 4 hours from Southwest with a boat double its size.

Admiral KRAHEK. We will also have the ability to do some other things. The other day a member from northern Lake Superior was concerned about the same thing.

We would certainly intend to work with the local marine police, if there are any there. We would intend to see whether or not we could provide seasonal help on busy weekends with the Coast Guard Auxiliary and with the Coast Guard reserve.

There is even an option for part of our boating grant programs, perhaps, to be utilized there to help the community buy a boat to respond for the 35 hours worth of situations that you might have on a yearly basis.

We have a special situation there that we have to look into, but the fact of the matter is, for 35 hours worth of activity a year to keep the 8 people there stationed year around with the boat and all that is just something that it is very hard to afford to do on our budget.

Senator SNOWE. No. I understand the concern. It is just a very treacherous area.

Admiral KRAHEK. I agree with you.

Senator SNOWE. And remote. And there is a lot of commercial shipping in that area, as you know, as well as fisheries, some recreational. But it is a very difficult area to traverse.

There is no question about it. Because not only the high seas, but heavy fog and very intense tides. I think they are the highest tides on the East Coast.

Admiral KRAHEK. And we are very concerned about those things, especially the fog.

Senator SNOWE. Well, I would like to be able to work with you on this issue, because I think it is going to be problematic for that area. And I do not know—

Admiral KRAHEK. I look forward to doing that. I think we need to meet with the community. We need to talk to them about it. We need to make them comfortable that we can respond satisfactorily from Jonesport and see if we can work out some local concerns. I look forward to do that.

We are not enthusiastic about leaving some of these places where we have been important members of the community—

Senator SNOWE. Right.

Admiral KRAHEK [continuing]. And we would want to work with them on that.

Senator SNOWE. OK. Well, then, I will follow up with you on that. You mentioned in your statement that picking up Haitian and Cuban refugees at sea was one of the most intense interdiction operations that the Coast Guard has ever accomplished. What sort of strains did it place on your Coast Guard budget?

Admiral KRAHEK. It—

Senator SNOWE. If you separated those out in terms of the numbers—

Admiral KRAHEK. I can tell you exactly.

Senator SNOWE. Yes.

Admiral KRAHEK. Because the strain that it put on the budget was a strain in readiness in other missions. We have sent forth a supplemental, an emergency supplemental that the President has called for, for \$28 million for the Coast Guard.

That is included with the defense supplemental that is being considered in the Senate now, as a matter of fact. \$28 million of that \$2.6 billion, whatever that number happens to be now, is for the Coast Guard to restore the spare parts, the draw down of diverting this equipment.

Senator SNOWE. Well, was most of that interdiction in that area with the Haitians and Cubans?

Admiral KRAHEK. Oh, yes.

Senator SNOWE. That was most of your interdiction efforts?

Admiral KRAHEK. It was. We also interdicted several thousand Dominicans coming across from the Dominican Republic to Puerto Rico in the Mona Pass, and that business is booming, unfortunately, and I have had to put some patrols there now. There are about 8,000 Dominicans a year that find their way to Puerto Rico and then to New York and other places.

It also includes hundreds of Chinese from the Peoples' Republic of China which we have interdicted both on the East Coast and the West Coast. The Chinese are not landing in San Francisco and New York anymore, but they are landing in the Dominican Republic. They are landing in Mexico.

On some of the yollas that we have recently intercepted, there are 50 Dominicans and 30 Chinese on them. They are coming from the Dominican Republic to Puerto Rico, because the Chinese are landing their illegal immigrants in other countries like the Bahamas, and then they try to come up to the United States.

So while it is not as intense, the business there is constant. The intensity this summer was because Cuba used its people as a weapon toward the United States to have us change our mind about certain things.

Of course, that goes on in negotiations. So we are hopeful that the policy will be successful, and no more Cubans will leave.

I will tell you, there have never been so few Cubans leaving Cuba since 1961 as there have been in the last 5 months, essentially none, zero. Castro has shut off the flow of Cubans totally.

The Cubans we are interdicting are coming from the Caymans or from the Bahamas to other places that they have gone and escaped to and then are trying to migrate into the United States from those areas.

Senator SNOWE. Well, has this—this has obviously put a strain on the budget, but where has it drawn from in your budget?

Admiral KRAHEK. Well, it drew from fisheries patrols. It drew from drug law enforcement patrols. I can report to you, though, that all those assets are now back in those patrol areas.

This morning, I had only three ships and two aircraft patrolling in the windward pass and the Straits of Florida, and most of them were taking Haitian migrants back from Guantanamo Bay to Port-au-Prince.

The Coast Guard Cutter Valiant today returned 66 Haitians to Port-au-Prince, as an example. So we are in the business of taking them back to Haiti. There are still about 28,000 or 30,000 Cubans

on Guantanamo that are going to stay there for a while until we decide what to do with them.

Senator SNOWE. Does that mean that in that instance and when you are dealing with the Haitians and the Cubans in that interdiction effort, that you would not have resources elsewhere?

Admiral KRAHEK. In some cases, I drew down from fisheries patrols. I took a fisheries patrol cutter out of the North Pacific Ocean, two of them, Coast Guard Cutter Chase and Coast Guard Cutter Hamilton came across. I put them in the Caribbean, chopped—changed the operational command of the Chase to the Navy task force commander that led the task force into Port-au-Prince. It was the mobile vessel traffic system for the Task Group 160 and 190 for the invasion of Haiti.

This was a Coast Guard traditional military role we would do when we change the operational tactical control of our assets, which have Navy capabilities and communications and all.

We provided the navigation. We provided the search and rescue for all of the armed forces that were coming by helicopter from South Florida all the way to Great Inagua in the Southern Bahamas off of Haiti.

It was a 550 mile transit. We had Coast Guard helicopters on board our ships providing the search and rescue and taking care of some of them when they got in trouble.

We provided the navigation for Port-au-Prince. And now we are there in Haiti. We are going to train their Navy to be a Coast Guard so maybe they can take care of themselves in the future, stop their own migrants from coming out and stop drugs from coming into that country.

Those are very traditional things for the Coast Guard to do. It was just more intense there than we would want.

Senator STEVENS. I think your time is up, Senator Snowe.

Senator SNOWE. Thank you.

Senator STEVENS: Senator Breaux?

STATEMENT OF SENATOR BREAUX

Senator BREAUX. Thank you, Mr. Chairman.

Thank you, Admiral. I will say thanks to you and to all of the members of the Coast Guard for all the good work that you have done in the Gulf of Mexico.

We have had some tough times and serious accidents down there, including downed helicopters, and your people have been very, very cooperative and very, very helpful, although they were unfortunately not always successful because of the nature of some of the accidents.

But your people have really done, I think, a yeoman's job in providing a service that the people have come to expect of the Coast Guard. We congratulate you for it.

Can you not just send a bill to the government of China for all that work you are doing of sending back their own citizens?

Admiral KRAHEK. I think the Chinese have been more responsible of late than they have been before. I think there was a bill of sorts, because we required China to come and send their aircraft to pick up these migrants when we brought them to a third country

uninvolved. We would bring them to Mexico, Honduras, the Bahamas. The Chinese would send aircraft.

This always took about a month and a half diplomatically. I personally met with the Chinese Ambassador here, and we hammered out some of those agreements.

Our delegation has been to that area of China where those migrants were coming from to try to work with the Chinese. They are doing better in trying to behave in that manner.

Senator BREAU. Is there legal authority that exists now for our government to bill their government for their citizens who have attempted to enter this country illegally.

Admiral KRAHEK. No. I don't believe there is any legal authority. Each case is handled separately in negotiations between the two countries, each incident.

Senator BREAU. If you had legal authority, would it be something that you would pursue?

Admiral KRAHEK. Well, I think legal authority is beneficial. It is the same type that we are getting ready to seek from the Dominican Republic. It is the same type we have had with Haiti over the years, a bilateral agreement on these things. They are quite possible to do.

It facilitates the whole migrant situation, because if there is ever a test for what you might do to keep migrants from coming to your country, the answer is: Take them back to where they came from. That is what shut Haiti back down. That is what shut Cuba back down. That is what discourages illegal immigration from those countries.

Senator BREAU. It may be something we should pursue. If the country knew they had to pay the cost of all of our enforcement measures in this area, they may take more serious precautions against their citizens illegally departing to come to the United States.

Let's talk about OPA90 for a moment. The regs, the final regs, are out, I understand, for vessel certificates of financial responsibility. And the deadline, I guess, was December 28, 1994, for self-propelled tank ships.

Now, I think we have a real problem, as you know, with OPA financial responsibility's requirements for marine facilities, particularly inland marine facilities and coastal marine facilities that may in fact be just a mom and pop marina.

But because of the potential to pollute the marine environment, they have to comply with the certificate of financial responsibility. And that would be how much?

Admiral KRAHEK. Well, I think that sounds like it is underneath the NOAA program or the EPA program. I do not think that is—and the marine facilities ensure—that that is one the Coast Guard is regulating. I think we are just doing—

Senator BREAU. Oh, I think it is.

Admiral KRAHEK [continuing]. Tank vessels and tank barges.

Senator BREAU. Any facility that is on a navigable body of water, you would have, would you not?

Admiral KRAHEK. I am not familiar that I am requiring them to have certificates—that the Coast Guard is managing that. We may be, but I would have to look into it.

Senator BREAU. Does anybody in the audience know about that, the guys in the blue suits in the back row over there? [No response.]

Senator BREAU. So you would not regulate the marine facility out of the water?

Admiral KRAHEK. In this particular legislation, it divided it up among some agencies. And the Coast Guard was pretty much to vessels and to barges and to tank vessels and to existing cargo vessels over a 3-year period, the tank vessels being the first, 28 of December. And then——

Senator BREAU. I understand that. I understand that.

Admiral KRAHEK. OK.

Senator BREAU. But I mean you do not have a facility on-shore.

Admiral KRAHEK. Not that I know of, no, sir.

Senator BREAU. OK. Let us talk about bridges then for a minute.

I note in your testimony that the 1996 budget has no request for any money at all under the alteration of highway bridges. And under the fiscal year 1995, your language would require—would allow funds from the Federal Highway Administration to address these bridges.

Admiral KRAHEK. Yes.

Senator BREAU. Is this still a Coast Guard responsibility? Do you just get your funding from the Federal Highway Administration?

Admiral KRAHEK. Coast Guard has responsibility for bridge administration. Then there is the Truman-Hobbs Act that pays for modification of bridges that are a hazard to navigation.

Last year, we had appropriated but not authorized the authority to use the highway trust fund for highway bridges. In fact, in the Department of Transportation, money has been set aside in highways to pay for the bridge program. But it was never authorized.

In our authorization bill before you this year, we are asking for that authorization again. That is why you do not see any money there.

The money is only for railroad bridges. We will continue to ask for money in the Truman-Hobbs for that.

But the Secretary and ourselves felt it was appropriate for the highway portions of these bridges to be paid for out of the trust fund. They are part of that national——

Senator BREAU. You would still——

Admiral KRAHEK [continuing]. Highway system.

Senator BREAU [continuing]. Handle it but just get the funding from——

Admiral KRAHEK. We would handle——

Senator BREAU [continuing]. The trust fund.

Admiral KRAHEK [continuing]. It all. The funding would just come from the highway trust fund, gasoline taxes pay for those bridges.

The whole navigability question and the modifications and the engineering and the things that needed to be done would be paid for out of that fund. The money has been set aside pending authorization this year.

Senator BREAU. OK. Are you familiar with the Florida Avenue bridge—

Admiral KRAHEK. Yes.

Senator BREAU [continuing]. The one we have been working on in the New Orleans area? We have been working on that for a long-time. And suddenly they—

Admiral KRAHEK. Yes.

Senator BREAU [continuing]. Shifted where the money comes from. Do you think that that is a project that we can get completed within the next 3 years if we do—

Admiral KRAHEK. I think so. I have taken a look at what is required there. I think we have already started the engineering work on that. We have put the money toward that.

The rest of the funding stream needs to be authorized from the highway trust fund in order to finish that project up. That is what we are anticipating in that it was appropriated a year ago but then never authorized.

We had some very high expectations that it would be authorized for us to do that.

Senator BREAU. Now, I understand the Coast Guard wisked through your solicitations for some additional coastal patrol boats because of lack of competition in the bidding process.

Admiral KRAHEK. That was a very curious thing that happened, and I had to personally look into that because we do not normally do that. In particular, this procurement was for a vessel that we call a parent craft, one that already has been in design that could do those things, proven technology for at least 2 years.

Bidders all bid on that parent craft. There was a pass or fail criteria that if they made too many deviations from the parent craft so it was not a parent craft anymore that their bid would be irresponsible, not responsive. Every bidder was not responsive. I personally had my attorneys and myself review every one of those to make sure.

There were major mistakes made. I do not know how some of these very, very valuable companies we have done business with before and very reputable companies made such mistakes.

But I would tell you, Senator, that based on the mistakes they made, you would not have let the contract to buy the boats. We would not have gotten a boat that would have met the specifications.

So we have gone out and re-solicited. We have met with each corporation that submitted a bid, to work with them to show them where they may have made an error in their bid, not sharing that with any of the others.

The contracting law allowed us to do that. So they are all aware of where their mistakes were. We would hope that within 60 days, the re-solicitation will be back out, and they will be able to bid on that package again.

Senator BREAU. Thank you, Mr. Chairman.

Thank you, Admiral.

I am finished. Thank you.

Senator STEVENS. Thank you very much. I know that Senator Hollings has some questions. Admiral, I have got an appointment. I will be back in about 20 minutes.

If I do not get back before you leave, I would like to have you respond to a number of questions for the record. I also want to tell you about our expected timing on this bill. I think we will be able to take this bill to mark-up, the first mark-up after the Easter recess.

So we would like to have your responses within 10 days or a couple of weeks. There is no immediate rush.

We cannot get it ready for the mark-up for next Thursday. But we can—or Wednesday—Thursday. But we can get it for the first mark-up after the Easter recess.

Admiral KRAHEK. All right. We will—

Senator STEVENS. So we appreciate your help.

Admiral KRAHEK. We look forward to answering all of those questions, Mr. Chairman.

Senator HOLLINGS. Does Mr. Chairman wish that—I have only two or three questions.

Senator STEVENS. You go right ahead and ask questions. My friend, Brother Kerry will run the place if I do not get back. And—

Senator HOLLINGS. Oh, good.

Senator KERRY. We used to do that on a regular basis.

Senator STEVENS. We have co-chairman chairman. [Laughter.]

Senator STEVENS. In the old days, if he was not here, I ran the store. I did not run off with it. So I do not think he will either.

Thank you very much.

STATEMENT OF SENATOR HOLLINGS

Senator HOLLINGS. Senator, my apologies to the colleagues and the chairman for being tardy here. But we were working on another matter with Senator Pressler.

And my apologies to you, Admiral Kramek. In the interest of time, I would like to submit my statement for the record and ask a few questions.

STATEMENT OF SENATOR HOLLINGS

Mr. Chairman, I am pleased to be here this afternoon to discuss the programs and funding needs of the United States Coast Guard in fiscal year (FY) 1996. As has been the case every year for the past several years, the Coast Guard budget proposes some hard choices for the upcoming year. President Clinton has requested \$3.74 billion for FY 1996, a 2.2 percent increase over FY 1995. Most of this increase would be used to continue funding acquisition costs for major projects, including coastal and seagoing buoy tender replacements, procurement of new motor lifeboats and small patrol boats, continued development of vessel traffic service systems for high-risk ports, and icebreaker-related costs. In addition, over \$80 million is needed to fund built-in changes such as pay raises, cost-of-living allowances, and retired pay increases.

These mandatory increases would be offset by reductions in Coast Guard operating expenses requiring the consolidation of 5 civilian personnel offices into 1, the closure and consolidation of small boat units from 185 down to 162, a 3-ship reduction in the cutter fleet, and the laying up of 3 HU-25 (Falcon jet) aircraft. I know that these were difficult decisions to make and am interested in discussing how they will affect the Coast Guard's ability to carry out its many missions.

Those missions have grown both in number and in complexity in recent years, a fact that is illustrated by the Coast Guard's own statistics. On any "average" day in 1994, the Coast Guard: conducted 191 search and rescue cases; saved 14 lives; assisted 328 people; responded to 34 oil or hazardous chemical spills; seized 379 pounds of illegal drugs; serviced 150 aids-to-navigation; and interdicted 176 illegal aliens. That is an impressive record, but it is one that the Coast Guard may not be able to maintain unless it continues to receive adequate funding and support. To-

day's hearing will focus on how the Coast Guard plans to continue to do more with less.

Senator HOLLINGS. With respect to the Truman-Hobbs bridge account matter, I am not clear in my mind of the mechanics. I understand you do not have it in the Coast Guard budget. It has to be authorized in the Federal Highway Administration's budget.

And how will they determine the amount? And will they ask for the amount? You tell them that you have found "X" number of bridges costing so much money, as hazards to navigation, and they respond promptly and ask for that amount of money or what?

Admiral KRAHEK. Almost exactly that way, Senator. These bridge programs are laid out so that over a 4 or 5 year period to modify a particular highway bridge that is a hazard to navigation, we know exactly what the cost estimate is to do that project. Say, it is a \$40 million and takes 10 years—

Senator HOLLINGS. Well—

Admiral KRAHEK. I mean, 4 years, it would, you know, average out maybe \$10 million a year except for the design phase of it.

We then go to the Highways Department. They set money aside for that. It is all part of the transportation budget. That money is utilized to modify those bridges. So that is, in fact, what we have done.

The money has been set aside to conduct the Coast Guard's bridge program for this year on all of the highway bridges that need to be modified—

Senator HOLLINGS. That includes the Limehouse Bridge?

Admiral KRAHEK [continuing]. In the highway budgeting department—yes, sir. That is right and that money is there. We just need the authorization for that concept to work and we will be able to continue on with all of those bridges.

Senator HOLLINGS. We have worked out with Senator Breaux and Senator Gorton, the language relative to recreational boating safety grants last year. Is that still the language in your bill this year?

Admiral KRAHEK. It is exactly the same. I think there just was not time in the session to get that passed at the last minute. I remember you and I talking about that. It was a little frantic there at the end. It just did not get to a vote.

Senator HOLLINGS. Now, regarding drug interdiction activities, I notice a savings of \$21 million in your operating expenses. I am looking at the TV and the former Secretary of Education is saying that there is no effort whatsoever; we have given up on drugs.

We had a hearing this morning with the attorney general before the Committee on Appropriations. We have increased that budget half a billion already this year. We have all kinds of increased activity, and I did not want the blame to be, let us say, on that appropriations subcommittee.

Now, I come here and I do not want the Coast Guard being blamed for the drug problem by cutting back on drug enforcement to save \$21 million.

Has this \$21 million in savings from planes and boats and so on, in any way, impacted the interdiction capabilities of the United States Coast Guard?

Admiral KRAHEK. It did last year. We decommissioned some ships, some surface effect ships out of Key West. We decommissioned the Caribbean squadron. That was a squadron of people down in the Caribbean running the 4.1 task force.

But I would tell you, Senator, that the national drug strategy now has changed, that the level of funds for interdiction as a percent of the entire drug budget is about 9 percent. That is the entire \$14 billion plus in the national drug strategy. Nine percent of that is for interdiction.

It is the same level this year as last year. It is adequate if the source country strategy works.

That is, it depends on stopping the drugs in the source country, burning the coca in the fields of Peru, having the Colombians and Mexicans cooperate more than they have. If those things work then the transit zone budget is sufficient. I, as you know, on the—

Senator HOLLINGS. What is your experience? Is it working?

Admiral KRAHEK. Well, my experience is that it has not been working for the last year. I briefed the administration on that. I am the U.S. Interdiction Coordinator as a collateral duty for all drug interdiction in the Western Hemisphere. I report to Dr. Lee Brown for that.

He has taken some extraordinary efforts, some that we are starting to see some payoff on in Peru, some that we are starting to see some payoff on in Colombia and Mexico.

I think we have to do more. We have to keep the pressure on those countries to do the right thing.

Senator HOLLINGS. And your request to the committee—you have not been cut back at the OMB level—your request is enough to do your job.

Admiral KRAHEK. \$21 million was last year and the year before. This year I am—my budget calls for increasing the Coast Guard activity in drug law enforcement from 9 percent to 12 percent.

Senator HOLLINGS. All right.

Admiral KRAHEK. That is what this budget asks for and the secretary and President have approved that. I think that is an increase and I will be able to do my job with that.

Senator HOLLINGS. Very good.

Thank you very much, Mr. Chairman.

And thank you, Admiral. You are doing an outstanding job. We appreciate it.

Admiral KRAHEK. Thank you very much, Senator Hollings.

Senator KERRY [PRESIDING]. I just have a couple of more questions. And then we can roll out of here. The moratorium on regulations that is moving through the House and Senate raises a lot of concerns.

I would like to ask you: How would the enactment of that legislation affect the Coast Guard's ability to do its job? Have you analyzed that?

Admiral KRAHEK. Well, I am concerned about the safety issues and that—whether the safety issues are making sure that ships are safe so that they do not have accidents and loss of life and pollution, to the safety of boats and people. There are some safety—

Senator KERRY. So in effect, if there is a moratorium, you have ongoing regulations coming on now that would be affected.

Admiral KRAHEK. Yes.

Senator KERRY. If there is a moratorium, you are, in effect, going to be prohibited from implementing any new safety measure that you might have to.

Admiral KRAHEK. That is correct. We are going to be restricted from doing that. People try to make distinctions with how safe is safe, should it be an issue of significant or very, very important safety or just general safety. On things that affect life and limb and pollution, those types of things, I think should be exempted in the regulatory roll back.

There are some other national interest items in there that make the United States more competitive as a global trading partner on maritime regulatory reform.

I mean, all of the things that we have been trying to do to make our shipyards and our maritime industry more competitive, on an even playing field, some of those things will be rolled back.

So I would think from a business standpoint, those regulations that are going to detract from our economy and be unsafe should not be included in the rollback.

Senator KERRY. Admiral, would it be possible, just for the record, for your folks to do a memo to the committee specifying the impact?

Admiral KRAHEK. Yes. I have that information delineated, and I will provide that for the record, sir.

Senator KERRY. And could you include information on how the proposed risk assessment and cost benefit requirements would affect the Coast Guard?

Admiral KRAHEK. Yes. I will.

Senator KERRY. Thank you.

[The information referred to follows:]

U.S. Department
of Transportation

United States
Coast Guard



Commandant
U.S. Coast Guard

2100 Second St. S.W.
Washington, DC 20593-0001
Staff Symbol: g-cc/104
Phone: (202) 366-4280

5730

26 JUL 1995

The Honorable John F. Kerry
United States Senate
Washington, DC 20510

Dear Senator Kerry:

This letter responds to your request during the March 15, 1995, hearing on the Coast Guard's Fiscal Year 1996 budget request before the Subcommittee on Oceans and Fisheries. You wanted to know how a regulatory moratorium would affect the Coast Guard's ability to perform its job, and how risk assessment and cost/benefit requirements would affect the Coast Guard.

A regulatory moratorium would have a deleterious impact for a number of reasons. The Coast Guard is implementing, through regulations, a wide variety of important safety and environmental protection regulations as well as a variety of regulations designed to level the playing field between U.S. vessels and foreign flag vessels. The proposed legislative proposals for a retroactive regulatory moratorium have the potential to undo important safety regulations.

On April 4, 1995, the Coast Guard published an interim final rule that sets out qualifications for tankermen. The purpose of the rule is to ensure that persons who handle oil and hazardous materials are properly trained and are competent to perform their duties. Implementation of the rule would improve the handling, transfer, and transportation of oil and hazardous liquid cargoes and reduce the risk of spillage and injury. The affected industry had a significant contribution to the development of the rule and sees it as an important safety rule. Years of development work from both industry and government went into this interim rule. Holding the rule in abeyance as part of a regulatory moratorium would be counterproductive.

The Coast Guard also has important rules under development which would be adversely affected by a regulatory moratorium. We are well along in developing major revisions to the regulations that apply to small passenger vessels. Small passenger vessels are the fastest growing area in the marine industry today. The popularity of dinner boats and riverboat gaming has caused a building boom for small passenger vessels now regulated under 46 CFR Subchapter T. The Subchapter T regulations were not designed with dinner boats or gaming vessels in mind. As a result, we

SUBJ: REPLY TO SENATOR KERRY CONCERNING REGULATORY MORATORIUM

have an operating environment that embodies tremendous potential passenger risk. For gaming vessels alone, there are now 12 states that allow gaming vessel operations and legislation is pending in 14 others. Approximately 45 riverboat gaming vessels are conducting underway operations with another 70 scheduled for delivery within the next two years. A typical gaming vessel carries between 600 to 2000 passengers. A major disaster involving a casino boat or dinner boat would not only have an immediate impact on the passengers involved, it would have devastating consequences for the entire industry. It is imperative that the revised regulations for Subchapter T proceed as rapidly as possible.

Following the Sunset Limited accident that resulted from a barge striking a railroad bridge the Coast Guard initiated a series of rulemakings aimed at making towboat operations safer. The regulations would require towboats to carry additional navigational equipment and for the operators to be trained in its use. A moratorium on these regulations would expose the public to additional needless risk with no discernible positive offset.

The moratorium would also substantially delay implementation of the Coast Guard's comprehensive regulatory reform package. The regulatory reform effort is intended to increase the competitiveness of the U.S. marine industry.

The Coast Guard has established a goal of eliminating any Coast Guard induced differential between requirements that apply to U.S. vessels in international trade and those that apply to similar vessels in international trade that fly the flag of responsible foreign nations. The proposed moratorium would considerably delay these rulemaking efforts and the resulting economic benefits for the U.S. marine industry.

With regard to cost benefit analysis, the Coast Guard routinely performs both economic and environmental evaluations of its regulatory initiatives. Various executive orders have required some type of regulatory evaluation for many years. The Coast Guard shares the Administration's and Congress' concerns that regulations return benefits to society to justify their costs. The critical issue for the Coast Guard is how much review is adequate to protect the public interest. Various legislative initiatives have proposed extensive reviews for relatively low-cost regulations. The intent of this legislation seems to be aimed at making the regulatory process so complex and burdensome that agencies will not be able to issue many regulations rather than at improving the decision-making ability of policy-makers.

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MORATORIUM

The delay tactic imposed by burdensome legislative cost/benefit analysis requirements is indiscriminate. It creates rulemaking delays for all rules and generates considerable frustration in a public that finds it hard to understand why regulations it wants, or wants changed, cannot be promulgated in months rather than years. The restrictive procedures contemplated by some proposed legislation could easily delay rulemaking by at least a year.

The Coast Guard now uses a procedure that identifies issues concerning potential regulatory costs early in the rulemaking process so that they can be adequately considered in preparation of the proposed rule. Used with existing procedures for environmental and economic impact assessment, this process is effective in raising the agency's awareness of cost/benefit concerns and protects the public from poorly considered regulations.

An identical letter has been sent to Senator Kerry.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bob Kramek". The signature is fluid and cursive, with the first name "Bob" and last name "Kramek" clearly distinguishable.

ROBERT E. KRAHEK
Admiral, U.S. Coast Guard
Commandant

Senator KERRY. A couple of other quick areas I just want to make sure we cover: We have about a million users in the United States of LORAN-C for navigation purposes. The date for termination has been conceivably pushed up, I guess, to the year 2000.

Admiral Kramek. Well, the controversy is that the national radio navigation plan really calls for LORAN-C being into effect in the year 2010 or 2015.

Senator KERRY. 2015, right.

Admiral Kramek. Well, what has happened is there is—with the advent of global positioning and a new feature that the Coast Guard has added to it called differential GPS, where it will correct the signal for geographic location—that will be in effect in the next 2 years. You will be able to tell within five meters where you are anywhere within 200 miles of the coast.

What is happening is is that people are going to be using GPS more than they are using LORAN. We feel that the average life-time for a LORAN receiver is about 7 years.

So as we approach the year 2000 or 2002, the people are going to go buy a new navigational aid. They are not going to buy a LORAN-C receiver—they are going to buy a DGPS. When you put all of that together with some encouragement from us, we would hope that people are going to move more quickly. We see that happening already.

Senator KERRY. Is there an actual study or analysis of transition time and cost?

Admiral Kramek. Yes. We have an analysis of that because it is important to our budget that the close down of LORAN-C stations is a big saving item in all of our budgets.

However, I have met with a lot of members, sir, of both the House and the Senate. They are very concerned about their constituents who have invested in LORAN-C receivers. They do not want, all of a sudden, that in 1998 that they are no longer available and the signal has stopped.

I can guarantee that that is not the case. However, working together with that community, it should not take as long as 2015.

We would have redundancy and a lot of wasted funds, I believe, for everybody. Working together with the boating and the fishing—fisherman and commercial traffic that as shortly thereafter of the year 2000 as we can, we should transition to the Global Positioning System.

Senator KERRY. Is there some process by which you are going to work with the Aircraft Owners and Pilots Association, AOPA?

Admiral Kramek. We have to work with them because they are some of the biggest users of LORAN-C in the mid-continent, LORAN-Chain. But yes, we will work with them. And we have to work with them.

Senator KERRY. Just a final couple of questions.

Admiral Kramek. Yes.

Senator KERRY. I hear from a lot of fishermen in the New England area that the failure of the enforcement system currently to catch and deal with fisherman who are cheating undercuts the large number of honest fishermen who are out there trying to make it work.

And then that just serves as an incentive for them to, kind of, throw up their hands and say, "Well, you know. Everybody else is doing it. We have to do it too."

And then you reek havoc with the fisheries, obviously. So I am deeply concerned about the enforcement question and capacity.

Would you take a moment to discuss where the biggest enforcement problems are and whether other methods of enforcement, black boxes, aircraft surveillance, dockside versus seaside, might be better implemented?

Admiral KRAHEK. Well, enforcement is across the entire spectrum. But let us—to speak about New England would be a good example.

The reason more enforcement is needed, unfortunately, is because the resource is so depleted that when you and I go down to the Maine Avenue fish market to buy a pound of fish that used to cost \$1.50, it now costs \$15 or \$12 or hardly, you know—it is just unbelievably expensive because—and then, some of the fish that you are buying you probably never—you and I would know. We probably fish in those waters.

But you know, there is a lot of monkfish for sale down the street, and a lot of shark and other things, at exorbitant prices also.

So the competition then to go in and get as much as you can is very high, for people to break the law because they can make a fortune if they do something illegally. They are able to get more than somebody else who is obeying the law.

Now, what we do is we work very closely with these regional fisheries councils because the quotas continuously change; the closed areas continuously change as you are aware. And in those particular areas, we concentrate our enforcement on the closed areas.

On the other hand, we have to have some sort of a balance so that we are not harassing those that are legally fishing and obeying the law. Rather, we are targeting the ones who are not.

That takes a lot of time in working with the fishing communities. We have even done things that I did not think would work but tend to be successful.

A fisherman called us up on a cellular phone on a 1-800 number saying, "These people are out here. And they are doing things illegally and taking away from our livelihood."

So we are using every means at our disposal including increased aircraft patrols and increased ship patrols to police the particular areas now.

Senator KERRY. Well, I really think you probably are going to need some kind of increased enforcement effort.

Admiral KRAHEK. Well, I would say that what we have in the New England fisheries now this year, compared to last, is probably at least twice the amount of enforcement activities.

Admiral Lennon, my operational commander there, has it organized like a task force just like we would have for the drug patrols or the Cuban patrols. It is a regular task force where all of the planes, the ships, the boats, communications systems are integrated together—

Senator KERRY. Yes.

Admiral KRAMEK [continuing]. And working with the National Marine Fisheries Service and the regional fisheries council to target the——

Senator KERRY. Well, I understand what is happening. But I think the problem is severe. Now, I have talked to fishermen at the dock. I have talked to a lot of captains, a lot of crews.

I think you are working well within the budget constraints. But what I am trying to say is I think the constraints may be too great and that there may be the need for more dockside action. I don't know what. I am not resolved to——

Admiral KRAMEK. I have not seen—I look at these statistics of our endeavors in the New England area every morning.

I would say that compliance is much higher than I anticipated it would be, that some of the people that we find that are breaking the law are displaced from other areas and either do not know it or are taking a chance.

We will have fisherman displaced from Maine come into Massachusetts and dragging through the pots, because they do not know, hopefully, or because they go into an area—other people are transiting a closed area that they were not allowed to. But they were losing a lot of money.

So we have tried to open those closed areas now for those in transit to do that so they do not stop, dip their net, and take some illegal fish. Now, we have to be out there and enforce those areas.

So our effort is about doubled in the New England area to make sure that this valuable resource that has been depleted is not depleted any further than it is already.

Senator KERRY. Well, I appreciate that very much. And thank you very much for your answers today.

I think we will leave the record open for a few days for my colleagues to submit questions.

[The information referred above can be reference in the Appendix]

Senator KERRY. I appreciate it.

Admiral KRAMEK. Thank you, Senator.

Senator KERRY. Thank you.

[Whereupon, at 4:45 p.m., the hearing was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD



NORTH CENTRAL INTERNATIONAL ASSOCIATION OF BOATING LAW ADMINISTRATORS

Please reply to: **Jeff Gayer, President**
NCIABLA
512 SE. 25th Avenue
Pratt, Kansas 67124

March 7, 1995

The Honorable Ted Stevens
Chairman, Subcommittee on Oceans
and Fisheries
Senate Hart Room 428
2nd & C Streets N.E.
Washington, D.C. 20510

Dear Sir:

As President of the North Central International Association of Boating Law Administrators, representing the States of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin, I am writing you to reemphasize the inherent and fundamental importance of the Federal Boating Safety Trust Funds which ultimately determine the success or failure of the states recreational boating safety program. Our constituents, the boaters, have and continue to pay for a service through the tax which they pay on motorboat fuel. Those services include, but are certainly not limited to safe and reliable access to the waterways, aids to navigation, education, search and rescue, and law enforcement. We know that without the Federal Trust Funds most state programs will realize drastic cuts, if not devastating loss of their program.

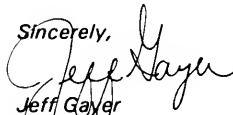
Since the marriage of this joint partnership between the U.S. Coast Guard and the States, the record speaks for itself. The "users" tax dollars have been utilized to reduce deaths, injuries and property loss on our nations waterways, provided for enhanced education to increase safety and given the states the credibility and resources to reach the local boating public.

This is an ideal State/Federal partnership which collectively deploys a national program that directly effects the safety of millions of Americans. The States have established the federally mandated mission to take the lead role in boating safety. To continue the mission, and be successful the States will rely heavily on the support of

the Administration, the Congress, and the Federal Boating Safety Trust Funds.

We ask you to keep our legislation, as was included in the past Congress, providing for stable funding for the state boating safety programs attached to the Coast Guard authorization.

Please include this letter as a part of the hearing record for March 7, 1995 on the Coast Guard's FY 1996 Authorization.

Sincerely,

Jeff Gayer
President



Commonwealth of Massachusetts

Massachusetts Environmental Police

Headquarters Bureau

175 Portland Street, Boston, MA 02114

(617) 727-3905

Fax (617) 727-8551

Richard A. Murray, Director

March 10, 1995

Honorable Ted Stevens, Chairman
Subcommittee on Oceans and Fisheries
Washington, D.C. 20510

Re: Hearing Record/3-7-95

Dear Senator Stevens,

I am writing to you in support of written testimony submitted to your committee by the National Association of State Boating Law Administrators (NASBLA) concerning your March 7, 1995 hearing on the U.S. Coast Guard Authorization Bill. I am an active member of NASBLA and represent the state of Massachusetts within this organization.

Specific funds from the Aquatic Resource Trust Fund (Wallop-Breaux) which are earmarked for the Recreational Safe Boating Program are attached to the Coast Guard Authorization Bill which your committee is hearing. It is crucial to the survival of my state's safe boating program for these particular funds to be continued.

Massachusetts has worked diligently to provide a safe boating environment during our short but hectic season. We have also joined with the U.S. Coast Guard, Coast Guard Auxiliary, U.S. Power Squadron and Boat U.S. in providing educational programs for boaters, none of which could have occurred without this federal financial assistance.

As you well know, this funding is derived from revenue produced by the Marine Gas Tax, which are paid, of course, by the boaters of this country. It is a perfect example of a "user pays - user benefits" situation and has no impact on the general fund what so ever.

I respectfully request that serious consideration be given to NASBLA's written testimony on this matter and that this letter be made part of the hearing record of March 7, 1995 on the U.S. Coast Guard's FY 1996 Authorization.

Respectfully,

Richard A. Murray
Richard A. Murray
Director

An Agency of the Department of Fisheries, Wildlife & Environmental Law Enforcement

NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

Major Larry J. Rhinehart
IGCS, Rm W 255 D
402 W. Washington Street
Indianapolis, IN 46204

March 1, 1995

Dear Mr. Rhinehart:

The National Association of State Boating Law Administrators (NASBLA) will be hearing from you on the Authorization on or about March 1, 1995. Only the Coast Guard will be heard from at this time.

We will hear your statement and brief remarks on the proposed regulations. Should you call outside the NASBLA office, please let us know the opportunity to appear on the record. Otherwise we request that your comments be made a part of the record.

The National Transportation Safety Board (NTSB) and the States use of these items be made a part of the record.

We are asking for all who use our services to pay the Safety Trust Fund is a trust fund. We urgently ask this funding as requested in the record.

We have a burning desire to resolve this trust fund.

The Honorable Ted Stevens
March 1, 1995
page 2

The challenging words of Oliver Wendell Holmes, written over one hundred years ago are especially timely for our Boating Safety Program today....

"I find the great thing in this world is not so much where we stand, as in what direction we are moving. To reach the Port of Heaven, we must sail sometimes with the wind and sometimes against it, but we must sail and not drift, nor lie at anchor."

We ask the Subcommittee to send a signal to the more than 75 million of our citizens who participate in some form of boating, that boating safety is on a steady course and will continue at full speed ahead to insure a safe and enjoyable environment for all who take to our nation's waterways.

Sincerely,



Major Larry Rhinehart, President
National Association of State
Boating Law Administrators

Attachments: NASBLA Statement
NASBLA Brief Remarks
The NTSB "MOST WANTED"
States Use of Federal Boat Safety Funds

NATIONAL ASSOCIATION OF STATE
FISCAL LAW ADMINISTRATORS

Major Larry Rhinehart
IGCS, Rm W 255 D
402 W. Washington Street
Indianapolis, IN 46204

Statement of

Major Larry Rhinehart, of
National Association of
Fiscal Law Administrators

before the

Joint Committee on
Fiscal Administration
U.S. House of Representatives

and the
U.S. Senate

on

Major Larry Rhinehart
Fiscal Law Administrator
Indianapolis

National Association of
Fiscal Law Administrators

Mr. Chairman and Members of the Committee:

I am Major Larry E. Brown, Major, Indiana National Guard, and President of the National Association of State

The National Association of State Administrators is a professional organization of State, Commonwealth and District Administrators responsible for administering and managing a diversity of state-owned property on the waterways of the United States.

My testimony today is in regard to the Resources Trust Fund and the Account of this fund. The trust fund is derived solely from the motorboat gasoline tax. The boaters, is returned in full to their cost for services rendered to the boater.

The federal agency administering the states is the U.S. Coast Guard within the Department of Transportation. Our Association is a part of the Coast Guard's administration of the

page 2

need for a close working relationship between the States and the Coast Guard is obvious since the waters we operate on are generally joint-jurisdictional. In my opinion we compliment each other in our boating safety efforts. We have stated before and I would reiterate that as professionals in boating safety and on the water search and rescue we are indeed an inseparable team.

Federal involvement in the States boating safety program dates back to 1910. So you have the federal mandate to the States backed up with boating safety trust funds not to exceed 50 percent of the total state program. This is a prime example of the user fee concept (ie) user pays-user benefits with not one penny coming from the general fund. This is indeed a federal/state partnership with a proven track record for other agencies to emulate.

The national trend, as you are well aware, shows a general boating growth pattern. The momentum is not only expected to continue, but to increase in the coming years. This is readily understandable when you consider that as available land becomes scarce and with 70% of the earth's surface covered by water, our waterways are a

page 3

natural place to see the growing population. The states satisfy the recreational boat to leave pressures on the tranquility of our waters and

Additionally, the and cargo ships, oil tankers on the continental shelf, responsibility to the states, natural resource, "our waterways" will continue to be of high

We think it is important continuity to enhance long range of implementing our program "Boating Safety Dollars at Water" recommendations listed in the Safety Board's safety study on "Boating Safety" (RBS). We feel it is important Safety Account be afforded stable Sport Fish Restoration Account. since both accounts are funded

page 4

Trust Fund (Wallop-Breaux). The contents of HR4477 that was a part of the Coast Guard authorization for fiscal 1995 would accomplish this in the long term.

Our Association strongly recommends that stable funding as was included in the Coast Guard Authorization for fiscal 1995 remain intact in the Coast Guard Authorization now before the Subcommittee.

In making this recommendation our Association would emphasize:

- o That we make the best use of these trust funds and that the end product is a major contribution by the states to the overall reduction in the boating fatality rate. Since the infusion of federal funds in the seventies, the boating fatality rate in the United States has dropped from 20.2 per 100,000 boats to an all time low of 1.9 in 1993. This is a five-fold decrease in boating related deaths.

- o That federal funding assistance to the states from this trust fund has resulted in a willingness on the State's part to assume a major share of what is logically and statutorily a joint responsibility.

- o That stability in the appropriation process is very

page 5

much needed in order to give the states the credibility, consistency and resources to reach the local boating public.

- o That the financial base provided by the federal government from this user fee generated trust fund allows the states to concentrate on establishing an administrative infrastructure, purchase equipment and promote the education and enforcement techniques to stimulate increased boating awareness, and thereby decrease fatalities.

- o That the efforts of the states funded from this user fee generated trust fund should result in savings to the federal government rather than inordinate additional costs which would emanate from STATE CURTAILMENT, INACTION OR INDIFFERENCE and that;

- o The states willingly picked up the slack when the Coast Guard removed their boating safety detachment teams some years ago for a savings to the Coast Guard of \$10 million.

In summary we feel the state program is a shining example of an ideal state/federal partnership. We will continue to strive for more innovative use of the

page 6

funds to better educate the boater and further reduce boating fatalities. However, we cannot over-emphasize that stability in the boating safety trust funds is needed if the true fruits of our efforts are to be realized. Needless to say, the Federal Boating Safety Trust Funds are the driving force that ultimately determines the success or failure of our state recreational boating safety program.

Thank you,

Remarks to Oceans and Fisheries Subcommittee
By: Larry Rhinehart, President NASBLA

Mr. Chairman, members of the Subcommittee. It is indeed my honor and privilege to appear before you today on behalf of our association's interest in boating safety on our nation's waterways.

Our Association feels very strong that any venture is only as successful as the joint efforts of the participants and we recognize the U.S. Coast Guard, U.S. Coast Guard Auxiliary, U.S. Power Squadrons and others in our joint venture to make our waterways safe, and the boaters' experience enjoyable.

Our boating family, like the automobile, is on the move in crossing state boundaries. We work very hard in our efforts to live up to the intent of the federal law in striving for uniformity and reciprocity of our boating laws.

Even though our waterways are joint jurisdictional with the Coast Guard, we feel the intent of the Federal Boating Safety Trust Funds was to allow the states to take the lead role in boating safety so the Coast Guard could pursue the many other responsibilities placed on the service by the Congress, like the illegal drug interdiction program.

An example of the states doing just that is our picking up the slack when the Coast Guard removed their Boating Safety Detachment Teams from the waters some years ago for a savings to the Coast Guard of more than 10 million dollars.

We don't come under the "unfunded mandates" that we hear so much about in the papers today. We do have the federal mandate, but we are proud of the fact it is supported with a user fee tax, and returned to the states as trust funds to help defray the states' cost for services to the recreational boater.

This is indeed a prime example of the user fee concept (ie) user pays, user benefits.

Needless to say the Federal Boating Safety Trust Funds are the driving force that ultimately determines the success or failure of our state recreational boating safety program, and we want to keep it that way. With your help we will keep this Federal/State program one for other agencies to emulate.

Mr. Chairman, as you know, it's not always fair winds and following seas on our waterways. However, when a fun-filled day on the water turns into a nightmare, its mighty nice to see a state patrol boat arrive on the scene.

We are here today to let you know that without these Federal Trust Funds, the states will be forced to make drastic cuts in their boating safety programs at the expense of the users who contribute to this trust fund, "the boaters of this nation". We obviously don't want this to happen.

Since the infusion of the federal funds in the seventies, the boating fatality rate in the United States has dropped from 20.2 per 100,000 boats to an all time low of 3.9 per 100,000 boats in 1993.

In the best interest of the public we serve, let's not abandon ship on a proven program.

We ask you, "please", to keep our legislation, as was included in the past Congress that would provide stable funding for the state boating safety programs, attached to the Coast Guard authorization. This would indeed send a signal to the boating community that Congress considers the states and the Coast Guard an inseparable team.

In summary Mr. Chairman, we feel the states' program is a shining example of an ideal State/Federal partnership. We ask your continued support to keep it that way.

Thank you.

MOST WANTED



SAFETY RECOMMENDATIONS

Program Modifications
May 1994

MOST WANTED

Transportation Safety Improvements

May 1994



- Recreational Boating Safety
- Administrative Revocation of Driver's License
- Airport Runway Incursion
- Positive Train Separation
- Fishing Vessel Safety
- Mode C Intruder Conflict Alert in Terminal Areas
- Railroad Hazardous Materials Cars
- Human Fatigue in Transportation Operations
- Schoolbus Safety
- Structural Fatigue Testing of Aircraft
- Small Passenger Vessel Safety
- Uniform Policy on Collection-Handling-Processing-Testing Results of Specimens for Alcohol/Drug Detection
- Brake Wear on Transport Airplanes
- Heavy Commercial Truck Safety
- Pipeline Excess Flow Valves
- Youth Highway Crashes



THE NATIONAL TRANSPORTATION SAFETY BOARD

MOST WANTED

Transportation Safety Improvements

"...a program to increase the public's awareness of, and support for, action to adopt safety steps that can help prevent accidents and save lives."

Recreational Boating Safety

-Strengthen Legislation, Enforcement, and Education Programs to Prevent Boating Accidents

Action Needed by State Legislatures

Administrative Revocation of Driver's License

-Pull Driver's License on the Spot of Anyone Failing or Refusing a Chemical Test for Alcohol

Action Needed by State Legislatures

Airport Runway Incursion

-Provide Safety Control of Aircraft on the Ground

Action Needed by the Federal Aviation Administration (FAA)

Positive Train Separation

-Require a Railroad Collision Avoidance System

Action Needed by the Federal Railroad Administration (FRA) & the Railroad Industry

Mode C Intruder Conflict Alert in Terminal Areas

-Install Collision Avoidance Systems on Airport Terminal Areas

Action Needed by the Federal Aviation Administration (FAA)

Fishing Vessel Safety

-Require Operators' License and Load Line Information for Commercial Fishing Vessels

Action Needed by the United States Coast Guard (USCG)

Youth Highway Crashes

-Strengthen age 21, zero BAC, and licensing legislation, improve enforcement, licensing, and education programs for persons under age 21

Action Needed by State Legislatures

Pipeline Excess Flow Valves

-Require the Installation of Excess Flow Valves in High Pressure Residential Natural Gas Distribution Systems

Action Needed by the Research and Special Programs Administration (RSPA) & the American Gas Association

Railroad Hazardous Materials Tank Cars

-Require Improved Protection of Railroad Tank Cars Carrying Hazardous Materials

Action Needed by Federal Railroad Administration (FRA) & the Research and Special Programs Administration (RSPA)

Human Fatigue in Transportation Operations

-Study the Relationship of Fatigue and Work/Rest Cycles in the Transportation Industry and Update Applicable Regulations

Action Needed by the Department of Transportation (DOT)

School Bus Safety

-Safer Transportation for Schoolchildren

Action Needed by the National Highway Traffic Safety Administration (NHTSA)

Structural Fatigue Testing of Aircraft

-Require Testing of Aircraft to the Equivalent of Two Lifetimes of Use

Action Needed by the Federal Aviation Administration (FAA)

Small Passenger Vessel Safety

-Require lifesaving equipment, passenger briefings, and crew emergency training

Action Needed by the United States Coast Guard (USCG)

Alcohol/Drug Detection

-Require Uniform Collection, Handling, Processing, and Testing for Alcohol and Other Drugs

Action Needed by the Department of Transportation (DOT)

Brake Wear on Transport Airplanes

-Require Improved Braking for Transport Category Airplanes

Action Needed by the Federal Aviation Administration (FAA)

Heavy Commercial Truck Safety

-Prevention of Accidents Caused by Fatigue, Alcohol, Drug Use and Medical Problems, and a requirement for anti-lock brake systems

Action Needed by Federal Highway Administration (FHWA) and the States



NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

Please reply to:

STATES USE OF FEDERAL BOAT SAFETY FUNDS

AQUATIC RESOURCES TRUST FUND

WALLOP-BREAUX

The States are proud of the use and effectiveness of the federal boat safety funds in pursuing our goal of "safe and enjoyable boating for all who use our nations waterways."

We feel the state program to date, is living up to the high expectations of the Congress. With full funding as authorized we will strive for more innovative use of the funds to better educate the boater and further reduce boating accidents and fatalities. We foresee the states taking an even greater lead role in boating safety, boating education and boating law enforcement, thus allowing the Coast Guard to pursue the many higher responsibility assignments placed on the service by Congress.

Congress (and rightfully so) continues to be concerned over the use and effectiveness of these trust funds. So the question is often asked, "HOW DOES THE STATES USE FEDERAL BOAT SAFETY TRUST FUNDS?". Following is a comprehensive listing of the use of these funds.

page 2.

- Increased boating safety patrols;
- Better boating accident investigations have pointed up causes which are targeted for increased education and enforcement;
- Increased training of enforcement officers;
- Better communications and enforcement equipment;
- Now reaching more boaters with free education classes;
- Working towards better statistical data on effects of alcohol and boating, i.e. in California, a two-year study showed that in 59% of fatal motorboat accidents where testing could be conducted, alcohol was a contributing factor to the cause of the accident;
- The erection of Kiosks to provide boaters information on coastal bar crossings, navigation, equipment requirements, rules of the road and related information including charts;
- Erection of wind warning strobe lights across heavily used bodies of water to warn boaters of impending high winds;
- Courtesy boat safety inspections;
- Conducting boating surveys, which provide critical data for assessing boat use, conflict areas and safety courses;
- Handing out free literature on boat noise, sailboarding safety, make way in dealing with large ships, hypothermia, thrill craft, use of life jackets (PFD's) and dealing with alcohol use;
- Waterproof exhibits at boat launching ramps with boater safety information;
- Marking of hazards to recreational vessels;
- Development of school video systems;

page-3

- Many States are now handling regatta permits instead of them being sent to the U.S. Coast Guard;
- States are picking up slack after Coast Guard removed BOSDET teams from joint jurisdictional waters;
- Developed and placed in use Boating Safety Home Study Course;
- Developed and placed at marine dealers a boating information display;
- Developed coloring books for elementary schools;
- Stepped up TV and radio public service announcements;
- Implementation of boating while intoxicated, purchase of portable testers, training classes and public awareness announcements;
- Computerizing boat accident information and arrests, which provides capabilities of responding to public, legislative and other inquiries, regarding boating accident and water fatality statistics;
- Improved the integrity of the boat registration system;
- Upgraded our enforcement equipment;
- Expanded our boating safety education capabilities;
- Purchased special search and rescue boats that are fully equipped for marine law enforcement;
- Adding additional full-time and part-time marine patrol officers and boating safety educators;
- Implemented special boating investigation teams to handle boat accident investigations.
- Improved cooperation with volunteer groups such as the Coast Guard Auxiliary, U.S. Power Squadrons, etc., by providing

page 4

- boat dock space, communication stations, phone, utilities, etc. This has resulted in much more visibility of search and rescue units and free boat safety inspections;
- Bringing together Federal, State and local authorities in the interest of boating safety, law enforcement, training and equipment needs;
 - Coordinate with local governments to establish boating restricted zones in heavy activity areas that present safety hazards to the boating public;
 - Updating film library with additional programs and equipment to provide to the general boating community, and to maintain literature dealing with safety equipment regulations, safe boating information, registration, titling and numbering requirements for statewide distribution, so as to be highly visible and readily available to the boating public;
 - Improve communications system to provide for better and extended coverage with the waterways enforcement officers. End result is improved response time to marine emergencies and as a device for greater officer protection;
 - Establishing new aids to navigation facilities and regulatory marker system for controlled areas;
 - Construction of new boat access ramps;
 - As preventive strategies, inaugurated programs to reach the new generation of recreational boaters in the public schools;

**DEPARTMENT OF TRANSPORTATION AND
RELATED AGENCIES AUTHORIZATION
FOR 1996**



**HEARINGS
BEFORE THE
SUBCOMMITTEE ON
OCEANS AND FISHERIES
UNITED STATES SENATE**

March 15, 1995

G-CCS-5
5/18/95

001.CCS5
7:37 AM

SUBCOMMITTEE ON OCEANS AND FISHERIES
SENATE AUTHORIZATION HEARING, 15 March 1995

COAST GUARD STUDY TEAMS

QUESTION. PLEASE UPDATE US ON YOUR REORGANIZATION STUDY. WHEN IS THE STUDY GOING TO BE COMPLETED? WHAT FINDINGS CAN YOU SHARE WITH US? DO YOU PLAN ON CONSULTING THE CONGRESS PRIOR TO FINALIZING THE STUDY?

ANSWER. The two major streamlining studies - one for command and control, support, administrative, and infrastructure (Streamlining the Coast Guard Study) and the other for training infrastructure (Training Infrastructure Study) - are part of the Coast Guard's broader multi-year streamlining effort. These major studies reviewed options to reengineer, streamline, and improve efficiency. The emphasis is on efficiency while maintaining, or improving where possible, operational service delivery.

Decisions regarding these two major studies will be made in late spring 1995. Following consultation with the Secretary of Transportation, Congressional notifications and briefings will be made.

G-CPA
5/18/95

002.CPA
6:29 AM

SUBCOMMITTEE ON OCEANS AND FISHERIES
SENATE AUTHORIZATION HEARINGS, 15 March 1995

QUESTIONS SUBMITTED BY SENATOR PRESSLER

EMERGENCY SUPPLEMENTAL FUNDING

QUESTION. THE COAST GUARD IS REQUESTING EMERGENCY SUPPLEMENTAL FUNDING FOR FISCAL YEAR 1995. WHAT IS THE BASIS OF YOUR REQUEST AND WHAT IS THE IMPACT IF YOU RECEIVE NO SUPPLEMENTAL FUNDING?

ANSWER. The Coast Guard responded to four different national operations: Able Manner (Haitian migrant interdiction), Support Democracy (Sanctions against Haiti), Able Vigil (Cuban migrant interdiction) and Restore Democracy (Haitian Peacekeeping). The request for \$28.3M is based upon incremental costs incurred to respond to these unplanned national emergencies. Incremental costs are additional, unplanned costs resulting from these operations. They include:

- Direct migrant supplies (food, medical supplies, hygiene items, personal floatation devices, blankets)
- Increased cutter, aircraft and boat operations (fuel, casualty repairs, maintenance, extra consumables)
- Personnel costs (reserve pay, temporary duty travel, personnel transportation)
- Support costs (interpreters, increased communications costs, buoys for Haitian Waterways, Port Security Unit training)

To fund these incremental costs, routine scheduled maintenance was deferred, supply stocks were drawn down and not replenished, and training and major projects were postponed in order to fund emergent needs. Additionally, each unit that participated in these operations deferred planned spending and modified their annual spending plans to purchase myriad supplies and equipment needed to undertake these national priority missions.

Without supplemental funding, there will be funding shortfalls and reduced operational readiness throughout the Coast Guard. As an example, the ability of Port Security Units to rapidly deploy will be diminished since inventories of equipment and consumables have not been replenished since returning from Haitian deployments. Supplemental funding will be used to fund deferred items and to restore funding to field units that participated in these emergency operations.

G-NAB 003.N
5/18/95 6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

STATE BOATING SAFETY GRANT PROGRAM

QUESTION. THE COAST GUARD'S FISCAL YEAR 1996 BUDGET REQUEST AGAIN PROPOSES TO TERMINATE THE DISCRETIONARY PORTION OF THE STATE BOATING SAFETY GRANT PROGRAM. BESIDES BUDGET PRESSURES, ARE THERE ANY OTHER FACTORS WHICH LEAD YOU TO SEEK TO TERMINATE THIS FUNDING? DOES THE COAST GUARD PROPOSE THAT FUNDING BE PROVIDED THROUGH ANOTHER MECHANISM?

Answer. Budgetary considerations were the overriding factor in this decision. State Recreational Boating Safety (RBS) programs continue to be valuable elements of the marine safety network, and States are essential partners in the provision of service to millions of recreational boaters, who represent the Coast Guard's largest customer base.

Of the \$70 million authorized under current law for transfer each year to the Boat Safety Account, half (\$35 million) is available for appropriation for the state RBS grant program. Current law, 46 U.S.C. 13106(a)(2), provides that the Coast Guard may retain up to two percent of the amounts appropriated each year for the State RBS program to pay the Coast Guard's costs of investigations, personnel, and activities related to administering State RBS programs.

State RBS grant funds are inappropriately scored against the Coast Guard's budget. With the exception of the two percent administrative funds, the Boat Safety Account appropriation for State grants does not fund any direct Coast Guard operations; however, it is scored against function 400 as if it were a discretionary Coast Guard operating expense. Amounts in the Boat Safety Account are trust fund receipts from motorboat fuel taxes paid by boaters. The Coast Guard is merely a "funnel" to return these user fees to the States for programs to benefit the boaters who paid the taxes.

The Sport Fish Restoration Account, the sister account to Boat Safety within the Aquatic Resources (Wallop-Breaux) Trust Fund, receives excess annual motorboat fuel tax receipts as well as excise taxes and import duties on fishing equipment. However, Sport Fish Restoration is subject to a mandatory (permanent-indefinite) appropriation that is not scored against the Department of Interior's discretionary budget in function 300.

The fiscal year 1996 budget presumes enactment of "consensus" legislation proposed last year, which had broad support throughout Congress, that would resolve this scoring inequity by providing additional State boating safety funds through a transfer from the Department of Interior. A key feature of the Wallop-Breaux Trust Fund is the "rollover" mechanism of the Boat Safety Account. If funds are not appropriated from the Boat Safety Account and the maximum amount of \$70 million is on deposit, no additional deposits can be made and all motorboat fuel tax receipts roll over to the Sport Fish Restoration

Account. The legislation would expand on the precedent established under the Clean Vessel Act of 1992 by increasing the amount of funding now transferred to the Coast Guard from Interior to provide State boating safety funding of \$30 million in fiscal year 1996, \$45 million in fiscal year 1997, and \$59 million in fiscal years 1998 and 1999.

This legislation would most importantly ensure a stable source of funding for State RBS programs. Since funds would not be scored against the Coast Guard's budget, they could be provided without compromising the Coast Guard's continued ability to provide essential Boating Safety Program services.

G-NBR 004.N
5/18/95 6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

FUNDING OF BRIDGES UNDER THE TRUMAN-HOBBS ACT

QUESTION. WHY ARE YOU SEEKING TO FUND HIGHWAY BRIDGES DETERMINED TO BE UNREASONABLE OBSTRUCTIONS TO NAVIGATION UNDER THE TRUMAN-HOBBS ACT FROM THE HIGHWAY BRIDGE PROJECTS OF THE FEDERAL HIGHWAY ADMINISTRATION (FHWA)? WHAT IS THE IMPACT OF THIS SOURCE OF FUNDING ON THE COAST GUARD'S BUDGET? WOULD THERE BE ANY CHANGE IN THE ADMINISTRATION OF THESE PROJECTS?

Answer. The fiscal year 1994 Appropriations Conference Report directed that unreasonably obstructive highway bridges should be financed from Federal Highway Administration (FHWA) bridge program funds. Alteration of highway bridges not only benefits national defense, interstate and foreign commerce and navigation in general, but also benefits land traffic and promotes intermodal safety. Since a portion of the funds earmarked by FHWA for highway bridges and bridge construction will go towards alteration of obstructive bridges, overall federal spending for such projects will be reduced.

In the same fiscal year 1994 Conference Report, the conferees agreed that the Coast Guard appropriation should be reserved for railroad bridges, which have no other forms of federal financing. Funding the alteration of highway bridges with FHWA bridge funds would allow the Coast Guard to pursue alteration of railroad bridges in a more timely manner.

Pending implementation of changes in Bridge Administration responsibilities that would result from Department of Transportation restructuring, the Coast Guard will continue to investigate and determine which bridges (both highway and railroad) are unreasonably obstructive to navigation, issue appropriate Orders to Alter, and oversee actual alteration of bridges to remove such obstructions to navigation.

G-NRS 005.N
5/18/95 6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD BOAT STATION STREAMLINING -
EFFICIENCIES AND IMPACTS

QUESTION. YOUR BUDGET REQUEST CALLS FOR CLOSING 23 SMALL BOAT STATIONS WHILE CONSOLIDATING AND REALIGNING NUMEROUS OTHERS. WHAT EFFICIENCIES WILL THE COAST GUARD GAIN FROM THIS PLAN? HOW WILL SERVICES TO THE PUBLIC BE IMPACTED BY THESE SMALL BOAT UNIT CHANGES? WILL CHANGES IN RESPONSE TIMES TO ON-WATER EMERGENCIES IN THE AFFECTED AREAS COMPROMISE SAFETY OF LIFE AND PROPERTY?

Answer. The plan adapts to thirty years of change including major technological advances in communications and navigation, the evolution of boat stations from essentially single mission Search and Rescue (SAR) facilities to multimission assets, and major shifts in customer demographics. The plan addresses serious boat station staffing problems. The Coast Guard does not have enough personnel to properly staff all existing small boat stations, and available boat station resources are not properly aligned to meet search and rescue and multimission service demand. Moreover, the current small boat unit skill mix is inconsistent with today's work requirements; there are too many apprentices and too few journeymen. This initiative would remedy these problems by taking full advantage of improved boat and helicopter response capabilities, and it would do a better job of putting scarce resources where the work is--without incurring significant risk.

In reviewing unit siting, we examined all 185 small boat units using a GAO endorsed Unit Change Guide process. The plan closes or consolidates twenty-three boat stations with extreme low workload or significantly overlapping response capability, converts seventeen others to more economic subunit operations, and converts one subunit to station status.

The plan moves more than 450 personnel from low demand to higher demand situations, relieves serious workload-resource mismatches, and generates over \$6 million in annual savings, about half in personnel and half in facilities costs. This initiative will improve overall small boat unit SAR system performance. Response times for incidents in the immediate vicinity of affected units will increase slightly, but remain well within the service standard. Subunits Eastport, ME and North Superior, MN are service standard exceptions, made on the basis of extremely low demand for SAR services. In every case, the Coast Guard will work with affected communities to minimize impacts and manage changes.

NPFC 006.NPFC
5/18/95 6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFR) REGULATIONS

QUESTION. HAS THE IMPLEMENTATION OF THE COAST GUARD'S
CERTIFICATION OF RESPONSIBILITY REGULATIONS LAST DECEMBER 28TH
CAUSED AN INTERRUPTION IN THE FLOW OF OIL INTO THE U.S. OR AN
INCREASE IN THE PRICE OF GASOLINE?

Answer. There has been no disruption of oil into the United
States, or increase in the price of gasoline, due to the
Certificates Of Financial Responsibility regulation implemented
on December 28, 1994. According to the American Automobile
Association, as of March 31, 1995, the overall national average
price of gasoline has dropped to its lowest level since June
1994.

G-CCS-5
5/18/95

007.CCS5
6:30 AM

SUBCOMMITTEE ON OCEANS AND FISHERIES
SENATE AUTHORIZATION HEARING, 15 March 1995

COAST GUARD STUDY TEAMS

QUESTION. AS WE HAVE SEEN FROM THE DEPARTMENT OF DEFENSE'S BASE REALIGNMENT AND CLOSURE PROCESS, SIGNIFICANT UP FRONT COSTS ARE REQUIRED IN ORDER TO SAVE A GREATER OUT YEAR COSTS. WHAT MAGNITUDE OF UP FRONT COSTS AND OUT YEAR SAVINGS DO YOU ANTICIPATE FROM YOUR REORGANIZATION AND TRAINING STUDIES?

ANSWER. Decisions regarding the two major studies (Streamlining the Coast Guard Study and the Training Infrastructure Study) will be made during early summer 1995. The magnitude of up front costs and out year savings is still being quantified. Because of the interrelated nature of the various options being explored, it is anticipated that implementation of the options as a package will produce recurring annual savings greater than the one-time up front costs.

G-NRS 008.N
5/18/95 6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD BOAT STATION STREAMLINING -
OPERATING COSTS IN OREGON

QUESTION. PLEASE OUTLINE HOW THE PROPOSED REDUCTIONS AND CLOSURES INVOLVING SMALL BOAT UNITS (SBUs) IN OREGON WILL AFFECT THE COAST GUARD'S OPERATING COSTS IN OREGON.

Answer. Coast Guard operations and maintenance costs will be reduced by approximately \$210 thousand by consolidation and downgrade of specific small boat units in Oregon. A net of 51 Oregon-based billets will be used to better manage Coast Guard small boat unit resources by reallocating some billets to higher demand stations, relieving serious workload-resource mismatches, and providing budgetary savings.

G-NRS
5/18/95

009.N
6:29 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD BOAT STATION STREAMLINING -
SAVINGS ACHIEVED IN OREGON

QUESTION. WHAT PERCENTAGE OF THE COAST GUARD'S TOTAL ANTICIPATED SAVINGS FROM PROPOSED REDUCTIONS AND CLOSURES IN SMALL BOAT UNITS NATIONWIDE WOULD BE DIRECTLY ATTRIBUTABLE TO THE PROPOSED REDUCTIONS AND CLOSURES IN OREGON? IS OREGON BEING TREATED FAIRLY?

Answer. The Coast Guard developed this plan by applying the GAO-endorsed Unit Change Guide process to manage siting, and Coast Guard Boat Station Staffing Standards to allocate available personnel resources within the streamlined siting structure. All resource decisions were based on operational workload requirements and response capabilities. These processes are based on specific criteria which do not favor one state or area over another. The process outcome indicated that compared to other areas of the country, Oregon currently has a greater share of boat station resources in relation to customer-service-requirements.

As a result of this Boat Station Streamlining initiative, of the total number of billets affected (over 600), the state of Oregon is contributing a net of 51 billets, or approximately 8 percent.

G-NRS 010.N
5/18/95 6:31 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD BOAT STATION STREAMLINING -
AFFECT ON PUBLIC SAFETY

QUESTION. WHAT EVALUATION WAS MADE AS TO HOW THE PROPOSED REDUCTIONS AND CLOSURES IN SBUs WILL AFFECT PUBLIC SAFETY? HOW WILL RESPONSE TIMES BE AFFECTED? WILL THE COAST GUARD'S SAR CAPABILITY IN OREGON BE IMPAIRED DURING SEVERE WEATHER CONDITIONS AND/OR ROUGH OCEAN CONDITIONS AS A RESULT OF THE REDUCTIONS AND CLOSURES?

Answer. The GAO-endorsed Unit Change Guide process evaluated the impact of proposed changes on the Coast Guard's ability to carry out its missions, including Search and Rescue (SAR). In applying the Unit Change Guide process, the Coast Guard eliminated change candidates that failed any mission performance test. Proposed changes were also tested by the Coast Guard's Search and Rescue Simulation (SARSIM), which used statistical modeling and historical case data to test response capability configurations against performance standards.

Overall small boat unit SAR system performance will be improved by this initiative. Response times in areas affected by closures or reductions may increase, but changes will be slight as so many of them are driven by overlapping response capabilities. Response times will remain well within the service standard except at subunits Eastport, Maine and North Superior, Minnesota. These subunits are service standard exceptions, made on the basis of extremely low demand for SAR services.

From 1989 to 1993, Coast Guard boats and helicopters arrived at the scene of Oregon coast SAR cases in less than one hour, 85 percent of the time. Proposed changes will have minimal impacts on this response performance, as well as the Coast Guard's severe/heavy weather search and rescue response capability. Also, Coast Guard boat response capabilities will improve with deployment of the new 47 foot motor lifeboat, several of which are intended for Oregon coastal small boat units.

G-NRS 011.N
5/18/95 6:31 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD BOAT STATION STREAMLINING -
RESTORATION OF SMALL BOAT UNITS

QUESTION. WILL THE COAST GUARD CONSIDER RESTORING AN SBU IF INADEQUATE RESCUE SERVICES RESULT FROM A REDUCTION OR CLOSURE? IF SO, WHAT CAPABILITY WILL THE COAST GUARD HAVE TO RESTORE THE SBU?

Answer. Yes, Coast Guard boat station resource management practices include mechanisms to continuously monitor resource-to-customer service requirements alignment and make routine adjustments to maintain alignment. Units report operational workloads in the Search and Rescue Management Information System (SARMIS) and in Quarterly Abstract of Operations reports. SARMIS reports include critical data on lives and property saved and lost. This workload and customer service data provide entering criteria for the GAO-endorsed Unit Change Guide process and Coast Guard boat station staffing standards.

As demand or other critical circumstances change, the Coast Guard will use these tools to continuously manage its resources to greatest customer service advantage. Resultant Small Boat Unit changes (restorations, downgrades, etc.) will be processed through congressional notification procedures, as required.

G-LLX 012.L
5/18/95 6:37 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD LEGISLATIVE PRIORITIES

QUESTION. YOU HAVE SEEN THE DRAFT COAST GUARD LEGISLATION THE SUBCOMMITTEE HAS PUT TOGETHER. WHAT ARE THE HIGHEST COAST GUARD PRIORITIES IN SECRETARY'S PEÑA'S FEBRUARY 24, 1995, PROPOSAL TO CONGRESS WHICH WE HAVE NOT YET INCLUDED?

Answer. I am pleased that the Senate Subcommittee has included in the draft Coast Guard legislation the provision on State Recreational Boating Safety Grants (section 501) and Truman-Hobbs Funding from the Discretionary Bridge Program (section 101(c)). These two items are of the highest priority for the Coast Guard. The fiscal impact of these provisions is great, and will be compounded in years to come.

I am also pleased that the Senate draft provides for Special Recruiting Authority to Achieve Diversity (section 206). This high priority provision will enable the Coast Guard to better meet its personnel resource, training, and diversity needs by more efficiently attracting interested and qualified women and minorities. By including a technical amendment that inserts the phrase ", (including academic scholarships for individuals)," after "individuals" on page 15, line 8 of the Senate draft, the Coast Guard's personnel goals can be better accomplished than by using currently available programs.

Finally, the Coast Guard Auxiliary amendments, Title XIII of Secretary Peña's proposal to Congress, is a very high priority item for the Coast Guard. The Auxiliary amendments will enable the Coast Guard Auxiliary organization to assist the Coast Guard in fulfilling its missions with maximum flexibility and efficiency.

G-AIR 013.A
5/18/95 6:37 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD STANDARD WORKSTATION III PROJECT

QUESTION. YOUR REQUEST FOR ACQUISITION, CONSTRUCTION AND IMPROVEMENT INCLUDES MONEY FOR NEW INFORMATION SYSTEMS TO REPLACE YOUR COMPUTER SYSTEM. AS I'M SURE YOU KNOW, THE REPORT ACCOMPANYING THE FY95 TRANSPORTATION APPROPRIATIONS BILL REQUIRED THE SECRETARY TO JUSTIFY THE COAST GUARD'S PROCUREMENT PLAN, AND ITS REASONS FOR GETTING A NEW SYSTEM, RATHER THAN USING AN EXISTING ONE. I WOULD APPRECIATE YOUR THOUGHTS ON THIS, AND YOUR REASONS FOR OPTING TO GO WITH A NEW SYSTEM.

Answer. The Coast Guard did not request Acquisition, Construction, and Improvements (AC&I) funds for the new Standard Workstation III (SWS III) procurement. AC&I funding was considered by the Coast Guard and discussed with the Congress, but it was decided that Operating Expenses (OE) funding was more appropriate. The Coast Guard requested AC&I funds for a related effort, conversion of approximately 25 mission essential software applications to the new computer system; funds were appropriated in fiscal years 1994 and 1995, and are requested in fiscal year 1996. This conversion would have been necessary regardless of which new computer system the Coast Guard selected.

The primary reasons for obtaining a new information processing system are to migrate from the existing Convergent Technologies Operating System (CTOS) proprietary hardware and software environment, and to replace obsolete workstations. Over 60 percent of the Coast Guard's workstation inventory consists of 286-based workstations that employ ten year-old technology. The remaining workstations employ five year-old technology. This obsolete hardware has made it progressively more difficult, if not impossible in some circumstances, to run mission essential software provided by other government agencies. The sole CTOS vendor appears to be phasing out that product line and ceasing production of hardware that the Coast Guard needs to replace failed hardware. The lack of maintenance replacements is increasing the Coast Guard's risk of being able to run mission essential software such as law enforcement systems.

A more detailed explanation of the rationale for the SWS III procurement can be found in the Secretary of Transportation's letter report dated February 22, 1995 to the Senate Committee on Appropriations. A copy of this letter is attached.

POC: CAPT F.R. Gill (7-6273)
Cleared by: G-A
Revised by: S.L. Stosz (7-2952)
POC: G-CPA

G-CCS-7 014.CCS-7
5/18/95 6:32 AM

SUBCOMMITTEE ON OCEANS AND FISHERIES
QUESTIONS
SENATE AUTHORIZATION HEARING, 15 MAY 95

DEPARTMENT OF TRANSPORTATION RESTRUCTURING

QUESTION. HOW WILL THE COAST GUARD BE AFFECTED BY THE PROPOSED DEPARTMENT OF TRANSPORTATION REORGANIZATION, WHICH WOULD CONSOLIDATE AND DOWNSIZE THE DEPARTMENT INTO THREE BRANCHES -- 1) THE AVIATION ADMINISTRATION; 2) THE INTERMODAL TRANSPORTATION ADMINISTRATION; AND 3) THE COAST GUARD?

Answer. Coast Guard services to the public will not be affected by the proposed reorganization. The Coast Guard will remain intact as one of the three organizational entities reporting to the Secretary, preserving its fully integrated, multi-mission capabilities that continue to serve the nation well.

The Secretary's current reorganization proposal includes the transfer of Bridge Administration activities from the Coast Guard to the new Intermodal Transportation Administration, which recognizes that bridge regulatory activities are an integral part of the nation's transportation infrastructure. Close coordination between Coast Guard field activities involved with waterway management and bridge administration personnel in the new Department of Transportation (DOT) agency will continue, ensuring no difference in service to waterway customers. The functional transfer will permit bridge infrastructure requirements to be considered within the context of the entire transportation system.

G-OLE 015.0
5/18/95 6:38 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

IMPACT OF HAITIAN OPERATIONS

QUESTION. THE COAST GUARD HAS BEEN AN INTEGRAL PART OF U.S. OPERATIONS IN HAITI. I WOULD APPRECIATE ANY THOUGHTS YOU HAVE ON THE IMPACT U.S. HAITIAN ACTIVITIES HAVE HAD ON COAST GUARD RESOURCES AND ITS ABILITY TO CARRY OUT ITS OTHER RESPONSIBILITIES.

Answer. Each unit that participated in these operations modified annual spending plans to purchase myriad supplies and equipment needed to undertake these high priority missions. Other planned expenditures, repairs, training, and projects were deferred. Also, many major projects were postponed in order to fund emergent needs. Some of the major cutter, boat, and aircraft projects deferred or incurred include:

- Overhaul cutter engines
- Accomplish increased maintenance on HC-130s
- Replace damaged PSU boats
- Relocation of rescue hoists on HH-60s
- Replace issued electronic parts and equipment
- Restock buoys and chain used in Haiti waterways

Because of the magnitude of the Caribbean operations and the decentralized nature of Coast Guard operations, an all-inclusive detailed listing of the procurements, projects, and operations deferred by individual units cannot be obtained. However, typically units would: defer projects until a later date; delay restocking of depleted spare parts and consumable inventories; make quick-fix, short term repairs to equipment which should have been replaced or overhauled; and postpone maintenance, training, and other operations as needed to fund incremental costs incurred.

Drug interdiction missions, fisheries law enforcement patrols and Aids to Navigation repairs were cancelled or deferred to provide the operational resources necessary to meet these national priorities. Personnel from operating units and staffs throughout the Coast Guard were temporarily assigned to these operations. Reservists were called up to replace and augment active duty personnel and to form the Port Security Units and Harbor Defense Command in Haiti.

NPFC 016.NPFC
5/18/95 6:31 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFR) RULE

QUESTION. I UNDERSTAND THAT THE FINAL RULE FOR CERTIFICATES OF FINANCIAL RESPONSIBILITY UNDER THE OIL POLLUTION ACT OF 1990 WENT INTO EFFECT ON DECEMBER 28, 1994. FOR THE RECORD, PLEASE UPDATE US ON THE STATUS OF THESE REGULATIONS. HOW MANY VESSELS HAVE BEEN APPROVED? WHAT COMPLAINTS HAVE YOU RECEIVED? DO YOU HAVE ANY PLANS TO REOPEN THE RULEMAKING PROCESS?

Answer. The interim final Certificate Of Financial Responsibility (COFR) rule became effective July 1, 1994, with the following deadlines for compliance: self-propelled tank ships effective December 28, 1994; tank barges effective July 1, 1995; and a staggered three-year time period for all other types of vessels.

As of April 11, 1995, 1,510 self-propelled tank ships, 1,953 tank barges, and 1,099 other types of vessels have complied with the new COFR rule.

The Coast Guard's experience with the COFR rule since late 1994 has been very favorable. Every shipowner who needed a COFR was able to obtain one. The Coast Guard is not aware of any complaints about the administration of the rule. However, some of the industry members remain dissatisfied with the liability and compensation scheme imposed by The Oil Pollution Act of 1990 (OPA 90) and would prefer the international regime.

The Coast Guard does intend to reopen the COFR rulemaking process for any major changes. OPA 90 is no different with respect to the COFR concept than pre-OPA 90 laws.

G-MVI 017.M
5/18/95 6:38 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

EXEMPTION OF DOUBLE HULL RULES FOR CERTAIN BARGES IN ALASKA

QUESTION. FOR THE RECORD, I AM INTERESTED IN YOUR THOUGHTS ON A PROPOSAL FROM THE BARGE OPERATORS THAT SUPPLY VILLAGES ALONG THE YUKON AND KUSKOKWIM RIVERS TO BE EXEMPTED FROM OPA 90 DOUBLE-HULL REQUIREMENTS. THEY SEEK AN AMENDMENT TO EXEMPT BARGES SMALLER THAN 2,000 GROSS TONS WHICH OPERATE ABOVE 58 DEGREES N. LATITUDE FROM DOUBLE HULLS. IT IS MY UNDERSTANDING THAT THE 17TH DISTRICT THINKS THAT THIS MAY BE REASONABLE, GIVEN THE SHORT ICE-FREE SUMMER AND THIS UNIQUE AREA OF ALASKA, BUT IT HAS QUESTIONS ABOUT THE PROPOSED 2,000 TON THRESHOLD AND ABOUT THE SIZE OF THE AREA WHICH WOULD BE EXEMPTED FROM DOUBLE-HULLS.

Answer. We agree that the double hull requirements of the Oil Pollution Act of 1990 (OPA 90) may place an undue economic burden on the citizens of the remote western Alaska native villages. Our records indicate that the barges which are currently being operated in these areas are a standard size for river barges of approximately 670 gross tons or smaller. This is considerably smaller than coastwise barges, which typically measure 2,000 gross tons, currently used in Alaska, and represent a reduced risk to the environment. The Coast Guard supports a 1,000 gross ton threshold which will allow existing single hull barges to continue trading while permitting a marginal increase in the size of the barges used.

Regarding the operating area, the Coast Guard initially proposed language restricting the exemption to vessels, "operating in waters of the Bering Sea and waters tributary thereto north of 58 degrees north latitude." This was done to ensure the exempted vessels operated only within the intended trade and that otherwise unexempted vessels could not take advantage of the exemption based solely on a single trip to the rivers of Alaska. If the route proposed by the barge operators was adopted, exemptions for vessels engaged in other trades would be more easily obtained. Single hull barges would then pose a continuous risk to waters throughout the U.S., creating an unfair trade advantage for these U.S. operators as compared to barges required to meet the double hull rules.

G-CPP
5/18/95

018.CPP
6:32 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

KETCHIKAN EXCESS PROPERTY

QUESTION. AS YOU KNOW, I HAVE INCLUDED A PROVISION IN THE SUBCOMMITTEE DRAFT THAT WOULD TRANSFER SURPLUS COAST GUARD PROPERTY TO THE KETCHIKAN INDIAN CORPORATION FOR USE AS A HEALTH OR SOCIAL SERVICES FACILITY. DOES THE COAST GUARD HAVE ANY OBJECTION TO THIS PROVISION?

Answer. The property in question has been exccessed by the Coast Guard and is now in the possession of the General Services Administration. The Coast Guard has no objection to the provision.

G-MP 019.M
5/18/95 6:38 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

PRINCE WILLIAM SOUND OIL SPILL RECOVERY INSTITUTE

QUESTION. FUNDING FOR THE OSRI IS AUTHORIZED TO COME FROM MONIES PAID BY THE OIL INDUSTRY INTO THE TRANS-ALASKA PIPELINE FUND WHICH HAVE NOW BEEN TRANSFERRED TO THE OIL SPILL LIABILITY TRUST FUND. OVER \$100 MILLION WAS TRANSFERRED BETWEEN THESE TWO ACCOUNTS IN LATE-DECEMBER OF 1994. WHILE ONLY \$22.5 MILLION OF THE TRANSFERRED MONEY IS INTENDED FOR OSRI, THE REST OF THE MONEY CANNOT BE SPENT (IN ACCORDANCE WITH SECTION 8102(a)(20 OF OPA 90 UNTIL OSRI FUNDING IS PROVIDED. I SENT A LETTER TO THE COAST GUARD REGARDING THIS MATTER IN LATE-OCTOBER OF 1994. TO THE EXTENT THAT MY OSRI FUNDING PROVISION DOES NOT RESULT IN 22.5 MILLION BEING SOMEHOW COUNTED AGAINST THE COAST GUARD'S BUDGET, DO YOU SUPPORT THE OSRI?

Answer. The Coast Guard conceptually supports the type of environmental protection activities envisioned for the Oil Spill Recovery Institute (OSRI). However, absence of funding to support the OSRI's intended activities, has precluded performance information upon which to evaluate the OSRI's effectiveness thus far.

As set forth in the Oil Pollution Act of 1990, federal funding for the OSRI is a function of the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA).

G-CPP 020.CPP
5/18/95 6:34 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

ALEUTIAN ISLANDS CUTTERS AND AIRCRAFT

QUESTION. AS YOU KNOW, THE FISHERIES IN THE BERING SEA AND ALEUTIAN ISLANDS AREA OF ALASKA ARE SOME OF THE MOST PRODUCTIVE -- BUT MOST DANGEROUS -- FISHERIES IN THE UNITED STATES. WHILE THE COAST GUARD IS ABLE TO CONDUCT SEARCH AND RESCUE (SAR) RESPONSES FROM KODIAK AND FROM HIGH ENDURANCE CUTTER VESSELS, YOU DO NOT KEEP COAST GUARD RESOURCES IN DUTCH HARBOR, THE NATION'S LARGEST FISHING PORT, WITH THE EXCEPTION OF TWO COAST GUARD PERSONNEL. I WOULD APPRECIATE KNOWING WHAT, IF ANY, CONSIDERATION THE COAST GUARD HAS GIVEN TO THE NEED OF HAVING VESSELS OR AIRCRAFT IN THE ALEUTIANS, CLOSER TO THE ACTUAL FISHING GROUNDS?

Answer. A high-level study group, headed by the Coast Guard's Pacific Area Commander, has recently been formed to study all Coast Guard missions conducted in the Bering Sea and Aleutian Islands area of Alaska. This study group will make specific recommendations on whether or not vessels or aircraft, or both, need to be based closer to the actual fishing grounds. The study group has been tasked to submit a report to the Commandant this summer.

G-MVI
5/18/95

021.M
6:35 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

VESSEL DOCUMENTATION CENTRALIZATION

QUESTION: WHAT IS THE STATUS OF THE COAST GUARD'S EFFORTS TO CONSOLIDATE ITS VESSEL DOCUMENTATION OFFICES? HAS THE CONSOLIDATION AFFECTED DOCUMENTATION SERVICES IN BUSY PORTS OR IN RURAL COASTAL COMMUNITIES?

Answer. The consolidation effort is proceeding as scheduled. The contractor has begun work on the building, which is expected to be completed in June 1995. All necessary furniture and equipment have been ordered, and a contractor has been retained to oversee the phased shipment of all records.

The personnel selection process is also proceeding on schedule. Key personnel will be transferred from a corps of fully experienced documentation officers .

To further ensure a smooth transition of services, a temporary trailer will open in May to begin processing cases in Martinsburg, VA and to test new office processing systems.

Though our offices have lost some experienced personnel, a special team has been set up to handle cases transferred from busy ports in order to expedite processing. As a result, the overall case backlog is actually lower than it has been in the past several years.

G-MS 022.M.M
5/18/95 6:38 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

NON-PETROLEUM OILS

QUESTION. HOW DO COAST GUARD REGULATIONS TREAT EDIBLE OILS DIFFERENTLY FROM PETROLEUM OILS TO ACCOUNT FOR THEIR WIDELY DIFFERENT EFFECTS ON THE ENVIRONMENT?

Answer. While the effects of petroleum and non-petroleum oil spills are different, studies of non-petroleum oil spills make it clear that they are not without significant hazards. A large discharge of non-petroleum oil would have harmful effects to the environment and could result in the death of fish, birds and marine mammals. In fact, evidence suggests that animals do not avoid non-petroleum oil spills because they are not as noxious as petroleum oils. Consequently, contamination and death rates for some types of animals, such as birds and marine mammals, may actually be higher.

The Oil Pollution Act of 1990 (OPA 90) amended various statutes which did not have identical definitions of "oil." None of these statutes separately define non-petroleum oils. The Coast Guard examines each regulation being promulgated to determine the costs and benefits of applying it to carriers of non-petroleum oils. Therefore, the Coast Guard has promulgated six rules or notices of proposed rulemaking (NPRM) to implement OPA 90 in which the distinction between petroleum oil and non-petroleum oil is important. In all cases, the Coast Guard weighed the associated history and probable risk in determining whether or not to regulate non-petroleum oils as stringently as petroleum oils.

RESPONSE PLANS: OPA 90 amends Section 311 of the Federal Water Pollution Control Act (FWPCA) to require response plans for vessels and facilities which handle, store, or transport oil in bulk as cargo. OPA 90 did not change the FWPCA definition of oil: "oil" means oil of any kind or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil. Since 1970, the FWPCA definition of oil has been interpreted to include non-petroleum oils such as animal fats and vegetable oils.

In developing the response plan Interim Final Rules (IFRs), the Coast Guard consulted with interested parties, including shippers of animal fats and vegetable oils. The IFRs represent a consensus position developed through negotiated rulemaking by the representatives of very divergent positions. In IFRs, the Coast Guard made a distinction regarding response equipment and procedures not only between petroleum and non-petroleum oils, but even between petroleum oils of different groups. Based upon

casualty history and relative hazard, less is required of carriers of non-petroleum oils than is required of carriers of petroleum oils. Recognizing that response techniques for containing the spread of oil are not equally effective for all oils, the IFRs do not prohibit owners and operators from proposing alternative clean up methods that are in accordance with the National Contingency Plan and the appropriate Area Contingency Plan.

DOUBLE HULL REQUIREMENTS FOR NEW VESSELS: The rule requires all vessels, both foreign and domestic, constructed after June 30, 1990 carrying oil in bulk as cargo operating in U.S. waters to be fitted with double hulls. This rule does not distinguish between petroleum oil and non-petroleum oil, so carriers of non-petroleum oils would also need to transport it in double hull vessels.

SHIP CONSTRUCTION (STRUCTURAL) MEASURES FOR EXISTING SINGLE HULL VESSELS: Because single hull vessels will be gradually phased out of service between 1995 and 2010, costs of structural modifications must be amortized over a relatively short period of time. For this reason, the Coast Guard looked at vessel casualty history, and the relative risk for vessels carrying non-petroleum oils and proposed in the notice of proposed rulemaking (NPRM) to limit the rule's application to petroleum oils. Non-petroleum oils are not included in the scope of the proposed rule.

OVERFILL-DEVICES: Due to the limited incidents of overfill spills from tank vessels carrying non-petroleum oil, the regulation limits its application to carriers of petroleum oils. The preamble to the final rule left open the option of extending the regulation to other types of oil at a later date if appropriate. Non-petroleum oils are not included in the scope of the rule.

PLATE THICKNESS AND PERIODIC PLATE GAUGING: Because of the lack of marine casualties regarding plate thickness on tank vessels carrying non-petroleum oils, the final rule applies only to petroleum oils. Non-petroleum oils are not included in the scope of the rule.

FINANCIAL RESPONSIBILITY (VESSELS): New liability limits apply to both petroleum and non-petroleum oils. Limits of liability depend on vessel size and type, not the cargo carried.

G-MMI 023.M
5/18/95 6:34 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

RIGHTS OF PARTIES INVOLVED IN MARINE INVESTIGATIONS

QUESTION. HOW CAN THE COAST GUARD ADDRESS ITS WORK LOAD CONCERNS WHILE PROTECTING THE RIGHTS OF PARTIES TO MARINE CASUALTY INVESTIGATIONS?

Answer. The Coast Guard conducts marine casualty investigations to determine the facts, circumstances, and causes of marine casualties so that actions can be taken to prevent future casualties. Marine casualty investigations are not conducted for legal purposes or to determine the liabilities of individual parties. If it is determined during a marine casualty investigation that a violation of Federal law or regulation may have occurred, a separate investigation is convened to look into that issue. No civil penalty action or action against seaman's licenses or documents is taken based on a marine casualty investigation.

The Coast Guard investigates over 4000 reportable marine casualties annually, and it is not possible or desirable to conduct a full formal investigation for each of these casualties with current resources. Witnesses and interested parties are always permitted to be involved in the marine casualty investigation process and to be represented by counsel during any questioning, whether the investigation is formal or informal. The Coast Guard always protects the rights of parties during a marine casualty investigation, whether formal or informal.

The only difference between formal and informal investigations, with respect to the rights of parties, is that witnesses are not called nor examined by parties during an informal investigation. The Coast Guard investigating officer typically conducts all questioning and completes the casualty report based on the evidence developed during the informal investigation. Hearings are not convened and transcripts of sworn testimony are not maintained for an informal investigation either.

The primary concern of some industry members regarding informal investigations stems from the use of casualty reports in private litigation. Those industry members are concerned that casualty reports may be used against them in civil court, and therefore desire that investigations be formal proceedings where they can call witnesses to tell their side of the story in the most favorable light. However, formal proceedings are very costly in terms of staff time and funds, and are not necessary for the Coast Guard's safety purposes in most casualty investigations. Informal investigations would be beneficial to the Coast Guard and the marine industry (i.e. - more timely, more efficient, more effective, and less costly) if the reports of those casualty

investigations could not be used by any party in civil litigation. The Coast Guard's legislative proposal protects the rights of parties by requesting legislation to prevent the use of casualty reports in civil litigation.

POC: Doug Rabe (7-1430)

Cleared by: G-M

Revised by:

POC:

G-MVI
5/18/95

024.M
6:39 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

USE OF THIRD PARTIES TO ENSURE COMPLIANCE WITH MARITIME INDUSTRY
REGULATIONS

QUESTION. THE COMMITTEE IS ENCOURAGED BY THE COAST GUARD'S PROPOSAL TO ALLOW THE USE OF THIRD PARTIES, SUCH AS THE AMERICAN BUREAU OF SHIPPING, TO ENSURE COMPLIANCE WITH CERTAIN MARITIME INDUSTRY REGULATIONS. WHILE THE AMERICAN BUREAU OF SHIPPING HAS VAST EXPERIENCE IN INSPECTION LARGE MERCHANT SHIPS, IT LACKS SIMILAR EXPERIENCE IN INSPECTING SMALLER PASSENGER VESSELS. WHAT IS THE COAST GUARD DOING TO ENSURE THAT THE SCOPE OF AUTHORITY GRANTED TO THIRD PARTIES MATCHES THEIR EXPERTISE?

Answer. Before a party receives authority to carry out activities on behalf of the Coast Guard, it must demonstrate the technical competence, qualifications, organizational infrastructure, and resources necessary to perform the delegated activity. In all cases, the party must be able to administer the authority in a manner commensurate with the level of safety established by the Coast Guard.

For example, the delegation of additional vessel plan review and inspection activity to the American Bureau of Shipping (ABS) under the January 12, 1995, Memorandum of Understanding was based on the long and positive relationship with ABS. This included ABS's documented performance in conducting vessel inspection activities for the assignment of Load Lines and the issuance of Cargo Vessel Safety Construction Certificates.

Under the recently implemented Alternate Compliance Program (ACP), the Coast Guard has delegated to the ABS most of the activities incident to the issuance of Certificates of Inspection and international convention certificates to U.S. flag freight ships and tank ships. This delegation was based upon the Coast Guard's participation in the development of the ABS's special ACP survey processes and procedures, an exhaustive review of ABS's own internal quality system, and a carefully developed oversight program designed to ensure that vessels participating in the ACP experience no degradation in their level of safety.

Because the ABS has not yet developed adequate processes and procedures for the inspection and certification of small passenger vessels, the ACP is limited to deep draft freight ships and tank ships in international service.

Other parties seeking similar delegation from the Coast Guard will be subject to the same standards of quality applied to the ABS, and their processes and procedures will receive a commensurate level of rigorous scrutiny and oversight.

G-MVP 025.M
5/18/95 6:35 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

CIVIL PENALTY FOR TOWING VESSEL MANNING VIOLATIONS

QUESTION. THE COAST GUARD'S FISCAL YEAR 1996 AUTHORIZATION REQUEST INCLUDES A PROVISION THAT WOULD INCREASE THE CIVIL PENALTY FOR VIOLATION OF A TOWING VESSEL MANNING STATUTE FROM ONE THOUSAND DOLLARS TO 25 THOUSAND DOLLARS. THE COMMITTEE UNDERSTANDS THE TOWING VESSEL INDUSTRY HAS WORKED VERY CLOSELY WITH THE COAST GUARD TO DEVELOP NEW TOWING VESSEL MANNING STANDARDS. GIVEN THIS INDUSTRY COOPERATION AND THE NEWNESS OF THE MANNING STANDARDS, IT SEEMS SOMEWHAT PREMATURE TO IMPOSE SUCH A LARGE INCREASE IN THIS CIVIL PENALTY. HAS THE COAST GUARD UNCOVERED ANY EVIDENCE THAT SUGGESTS THAT THIS CIVIL PENALTY INCREASE IS REQUIRED TO ENSURE COMPLIANCE BY THE TOWING VESSEL INDUSTRY WITH THE MANNING STANDARDS.

Answer. While there is no indication of wide spread noncompliance, the current penalty is considered by both industry and the Coast Guard as too low to act effectively as a deterrent. Therefore, the Coast Guard proposed to increase the civil penalty as a signal that the licensing requirement for towing vessel operators is critical and infractions will be treated very seriously. The Coast Guard anticipates the \$25,000 limit, when coupled with other actions being taken to strengthen licensing standards, will promote full and effective compliance with the statutory requirement.

Thus far, Coast Guard has focused on regulating equipment and training requirements rather than crewing standards. However, the combined efforts of industry and the Coast Guard are now focused on the development of new towing vessel crewing requirements. That notwithstanding, the Coast Guard does not anticipate the segment of the industry which has been cooperating closely with the Coast Guard to be affected by a change in the civil penalty provisions of 46 U.S.C. 8904. This penalty will promote stricter compliance by the less conscientious towing vessel operators.

G-NRS
5/18/95

026.N
6:35 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

BOAT STATION STREAMLINING INITIATIVE

QUESTION. THE COAST GUARD'S SMALL BOAT STATION RELEVELING PROPOSAL HAS ATTRACTED MUCH ATTENTION IN CONGRESS. THE DELAWARE CONGRESSIONAL DELEGATION REQUESTED THAT I ASK YOU SOME QUESTIONS ABOUT THE PROPOSED CLOSING OF THE ROOSEVELT INLET STATION AND THE REDUCTION OF THE INDIAN RIVER INLET STATION TO SUBUNIT STATUS. THE COAST GUARD HAS INDICATED THAT OTHER FACILITIES CAN PROVIDE SERVICE TO THE AREAS CURRENTLY SERVED BY THESE TWO STATIONS. HOW WILL BOATING SAFETY BE AFFECTED WHEN THE SUBUNIT INDIAN RIVER INLET STATION IS NOT OPERATIONAL IN THE OFF-SEASON? WHAT IS THE SCHEDULE FOR THE PROPOSED CLOSURES? IS THE COAST GUARD CONSIDERING RETAINING ANY OF THE FACILITIES PROPOSED FOR CLOSURE? IF SO, THEN WHAT CRITERIA EXISTS FOR THIS REVIEW? IF SIMILAR SERVICE CAN BE PROVIDED FROM OTHER COAST GUARD STATIONS, WHAT IS THEIR STATUS UNDER THE STREAMLINING PROPOSAL, AND WHY WERE THEY SELECTED TO REMAIN OPEN?

Answer. The changes to Subunit Roosevelt Inlet and Station Indian River Inlet are part of a nationwide Coast Guard initiative to improve services to the public by better aligning our small boat unit resources with the workload. Our present small boat unit system has several workload-resource mismatches; some stations have overtasked resources, while other units have underutilized resources. Many small boat stations were sited over a hundred years ago, when pulling boats were used to conduct rescues. Today the search and rescue paradigm has been changed by improved radionavigation aids, advanced communications, and much shorter response times made possible by faster rescue boats, helicopters, and airplanes. We have reviewed station siting and carefully developed a small boat unit streamlining plan. This initiative will rebalance and improve the overall performance of our small boat unit system.

There is no indication that consolidating Station Indian River Inlet with Station Ocean City will compromise safety on the water off Delaware. Off-season workload will be absorbed by Station Cape May, Station Ocean City, and Air Station Cape May.

Closing Subunit Roosevelt Inlet will also have minimal impact on boating safety. The workload will be absorbed by Station Cape May, Subunit Indian River, and Air Station Cape May. Subunit Roosevelt Inlet is an extremely low workload unit with very few hours of underway search and rescue time each year.

The closures are proposed for full year savings in the FY96 budget. We anticipate completing these actions by mid to late September 1995. The Coast Guard does not intend to retain the facilities designated for closure. Some of the local communities

have expressed interest in using the facilities and are investigating procedures established to acquire properties vacated by federal agencies.

Station Cape May will remain open year-round due to their substantially greater workload than Subunit Roosevelt Inlet and Station Indian River Inlet.

G-NRN 027.N
5/18/95 6:34 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

LORAN PLANS IN ALASKA

QUESTION. THE COAST GUARD IS CONSIDERING PROPOSING TO EXPEDITE THE PHASE-OUT OF THE LORAN C ELECTRONIC NAVIGATION SYSTEM. THE ELIMINATION OF THIS SYSTEM WILL MEAN AMERICANS HAVE TO DEPEND ON THE SATELLITE-BASED GLOBAL POSITIONING SYSTEM (GPS) FOR ACCURATE ELECTRONIC NAVIGATION SIGNALS. THE LORAN SYSTEM IS UNIQUELY IMPORTANT TO MY HOME STATE OF ALASKA BECAUSE A LARGE PERCENTAGE OF THE POPULATION USE LORAN FOR BUSINESS, DAILY LIVING AND RECREATION; MORE LORAN TRANSMITTERS ARE IN OPERATION IN ALASKA THAN IN ANY OTHER STATE; ALASKA LORAN TRANSMITTERS ARE NOT AS RELIABLE AS MANY OTHER U.S. TRANSMITTERS DUE TO THE USE OF VACUUM TUBE, RATHER THAN SOLID-STATE, ELECTRONICS; AND GPS SIGNAL AVAILABILITY IS NOT AS GOOD IN ALASKA AS IN OTHER STATES DUE TO SATELLITE ORBIT LATITUDES AND SIGNAL BLOCKAGE BY MOUNTAINOUS TERRAIN. WHAT ARE THE COAST GUARD'S PLANS FOR THE LORAN SYSTEM AND HOW DO THEY ADDRESS THE UNIQUE NEEDS OF ALASKA.

Answer. By consensus of the Department of Transportation's Positioning and Navigation Executive Committee, the strategic goal is to terminate Loran-C service nationwide in 2000. This consensus involved many factors, one of which is the adequate availability of GPS satellite orbits in northern latitudes. Continuation of Loran-C, beyond 2000, would depend on validating a requirement which cannot be met by GPS.

This year, the Coast Guard plans to install differential GPS (DGPS) to provide coverage in the environmentally sensitive areas of the Gulf of Alaska and much of the waters around the Alaska Peninsula. DGPS will provide better positioning accuracies than Loran-C users currently receive in these areas. It must be noted that in areas where GPS may be prone to terrain masking, such as near steep mountains, Loran-C is also severely distorted, rendering precise radio navigation practically impossible.

G-MMI 028.M
5/18/95 6:39 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

INADEQUATE LIGHTING AND STEERING SYSTEMS

QUESTION. I WOULD APPRECIATE KNOWING ABOUT ACCIDENTS THAT HAVE BEEN CAUSED BY INADEQUATE LIGHTING ON VESSELS OR BY THE FAILURE OF VESSEL STEERING SYSTEMS AND WHETHER THE COAST GUARD HAS ANY PLANS TO TAKE ANY ACTION WITH REGARD TO THESE ISSUES.

Answer. During the last three years, for commercial vessels over 100 gross tons, two marine casualties were reported to the United States Coast Guard in which personal injuries were attributed to inadequate or insufficient lighting. Both involved trips or falls with resulting injuries to crew members on U. S. flag vessels. Seven other casualties were caused by lighting malfunctions which resulted in one personal injury, two fires, two allisions, one collision, and one loss of electrical power.

During the last three years, for commercial vessels over 100 gross tons, a total of 266 steering system failures were reported to the United States Coast Guard as reportable marine casualties. Table 1 represents a yearly break down of steering casualties per vessel service.

Of the reported steering system failures, eight caused an allision, collision, or grounding. Three of the casualties involved U. S. vessels, while the remaining five casualties occurred aboard foreign flag vessels. Table 2 represents a yearly break down per vessel service.

Table 1: STEERING SYSTEM FAILURES

	Calendar Year		
Vessel Service	1992	1993	1994
Freight Ship	43	24	35
Offshore Supply Vsl	2	3	1
Passenger Ship	13	23	16
Public Vessel			2
Research	1		

Vessel			
Other commercial Vessels (excluding tugs and fishing)	11	8	4
Tankship	25	29	26
Subtotal	95	87	84
Total: 266			

(Commercial vessels over 100 GT excluding tugs and fishing vessels; data source: USCG Casualty Maintenance (CASMAIN) and Marine Investigations Module (MINMOD) databases, completed and endorsed investigations)

Table 2: CASUALTIES RESULTING FROM STEERING SYSTEM FAILURES
(Allisions, Collisions, Groundings)

	Calendar Year		
Vessel Service	1992	1993	1994
Freight Ship			4
Offshore Supply Vsl			
Passenger Ship	2		
Public Vessel			
Research Vessel			
Other commercial Vessels (excluding tugs and fishing)		1	
Tankship			1
Subtotal	2	1	5

(Commercial vessels over 100 GT excluding tugs and fishing vessels; data source: USCG CASMAIN and MINMOD databases, completed and endorsed investigations)

In 1990, 158 passengers died in a fire aboard the passenger vessel SCANDINAVIAN STAR in the Baltic Sea. After an extensive international investigation, it was concluded that most casualties were due to smoke inhalation while attempting to locate an emergency exit. In response, the International Maritime Organization adopted the most significant set of amendments to the International Convention for Safety of Life at Sea, 1974, (SOLAS '74) since 1974. As part of the amendments, requirements included low location lighting (floor lighting similar to that found on large passenger jets) to assist passengers in finding an escape exit in a smoke filled environment. No additional regulations regarding lighting are deemed necessary.

Coast Guard marine safety regulations contain steering-gear requirements for most commercial vessels. Large foreign ships entering U.S. ports must meet the steering-gear requirements of SOLAS '74 and the performance and testing requirements of Title 33 Code of Federal Regulations (33 CFR). All inspected U.S. vessels must meet the steering-gear requirements in Title 46 Code of Federal Regulations and large U.S. ships must also meet the performance and testing requirements of 33 CFR. CGD-83-043, Incorporation of Amendments to SOLAS '74 revises the steering-gear regulations to be harmonized with the requirements in SOLAS '74. This regulatory project is due to be published in the Federal Register within the next month.

The Coast Guard has no authority to develop steering-gear regulations for uninspected towing vessels, fishing vessels or pleasure craft and has no plans to promulgate steering-gear regulations for these vessels.

G-OCU 029.0
5/18/95 6:34 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

RELOCATION OF THE CUTTERS NOW STATIONED IN NEW BEDFORD

QUESTION. I UNDERSTAND THAT SOME MEMBERS OF THE RHODE ISLAND CONGRESSIONAL DELEGATION HAVE PROPOSED CONSOLIDATION IN NEWPORT, RI, OF CUTTERS THROUGHOUT NEW ENGLAND AND, FURTHER, THAT THIS COULD INCLUDE RELOCATION OF THE TWO MEDIUM ENDURANCE CUTTERS FROM NEW BEDFORD. IN LIGHT OF OUR ONGOING FISHERIES PROBLEMS AND THE FACT THAT NEW BEDFORD REMAINS THE LARGEST FISHING PORT IN NEW ENGLAND, I AM HAVING A HARD TIME UNDERSTANDING WHY SUCH A RELOCATION WOULD EVEN BE CONSIDERED. NEEDLESS TO SAY, IT WOULD BE STRONGLY OPPOSED BY THE MEMBERS OF THE MASSACHUSETTS DELEGATION. IS THE COAST GUARD CONSIDERING SUCH A CONSOLIDATION? PLEASE EXPLAIN.

Answer. Relocating Coast Guard cutters is just one of many options being considered as part of our streamlining efforts to reduce costs. Due to increasing budget pressures and in the spirit of the National Performance Review, the Coast Guard is examining its core business practices. We are working to streamline our infrastructure to allow us to reduce the cost of delivering essential services to the public.

The recently vacated Navy piers in Newport may offer the Coast Guard an opportunity to reduce some cutter support costs. We are in the early stages of investigating potential options regarding relocating the New Bedford cutters. Our review of cutter homeporting will not be based solely on cost. We are also carefully considering the maritime safety and law enforcement impacts of changing homeports. We will continue to weigh the advantages of each port for future consolidation opportunities as we strive to better meet the public needs and government streamlining goals.

G-CCS-5

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5/18/95

6:36 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:

SENATE AUTHORIZATION HEARING, 15 MAR 95

STREAMLINING AFFECT ON COAST GUARD SERVICES IN MASSACHUSETTS

QUESTION. WHAT IS THE STATUS OF THE COAST GUARD'S
STREAMLINING PLAN AND HOW WILL IT AFFECT COAST GUARD SERVICES IN
MASSACHUSETTS?

Answer. Decisions regarding the two major streamlining studies
will be made in late spring 1995. The Study Teams are refining
options to streamline or reengineer overhead command and control,
administrative, support, and training functions. It is not
expected that the streamlining plan will affect delivery of
operational services in Massachusetts or elsewhere.

G-LRA
5/18/95

031.L
6:37 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

SENATOR KERRY QUESTIONS:

QUESTION. REGULATORY MORATORIUM: LEGISLATION IS MOVING THROUGH BOTH THE SENATE AND THE HOUSE OF REPRESENTATIVES THAT WOULD PUT A MORATORIUM ON NEW FEDERAL REGULATIONS. HOW WOULD ENACTMENT OF SUCH LEGISLATION AFFECT THE COAST GUARD'S ABILITY TO DO ITS JOB? HOW WOULD PROPOSED RISK ASSESSMENT AND COST-BENEFIT REQUIREMENTS AFFECT THE COAST GUARD?

Answer. A true regulatory moratorium, such as the one contained in H.R. 450, would have a significant impact. It would prohibit issuance of all regulations, even those of limited duration or local applicability. For example, removing Captains' of the Port authority to quickly issue regulations creating local safety zones to respond to emergency situations (vessel grounding, fire, hazardous material spill, flooding, etc.) could have significant health and safety implications. The emergency exemption provisions of H.R. 450 require a written waiver from the Director of the Office of Information and Regulatory Affairs; this is not adequate.

Other proposed measures, such as those contained in S. 219 and S. 343, would apply to only those few regulations with an annual impact which exceed a specified amount, and would not impose a moratorium. These measures may delay issuance of some regulations, but would have much less of an impact on the Coast Guard.

Several bills would impose additional requirements for risk assessments and cost-benefit analyses. The Coast Guard currently completes a cost-benefit analysis for each of the rules it issues. The depth of the analysis is based on the projected impact of the regulation. If requirements for a detailed cost-benefit analysis apply to only those few significant rules with an annual impact of \$100 million or more, as proposed in S. 219, there would likely not be a significant impact on the Coast Guard. However, the process for a comparative risk assessment does not apply to most Coast Guard regulations and may be extremely difficult to complete.

Although it is difficult to estimate the resources needed to fulfill these additional requirements, an increase in the number of people assigned to regulatory duties may be necessary.

G-MVI 032.M
5/18/95 6:36 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

IMPLEMENTATION OF PASSENGER VESSEL SAFETY ACT OF 1993

IN 1993, CONGRESS ENACTED THE PASSENGER VESSEL SAFETY ACT TO ELIMINATE THE EXISTING PATCHWORK OF REGULATIONS FOR PASSENGER VESSELS AND ESTABLISH CONSISTENT SAFETY AND INSPECTION STANDARDS. ONE OF THE TOUGHEST ISSUES WE DEALT WITH WAS REQUIREMENTS FOR OLDER VESSELS, LIKE CLASSIC YACHTS, TO PROVIDE ADEQUATE SAFEGUARDS AND YET PRESERVE THE VESSEL'S UNIQUE CHARACTER.

QUESTION. MANY OF THE VESSEL-OWNERS FACE TIME-CONSUMING AND COSTLY MODIFICATIONS BEFORE THEY CAN OBTAIN AN INSPECTION CERTIFICATE. HOW CAN THEY BE ASSURED THAT THE REQUIREMENTS WILL NOT BE CHANGED EACH YEAR WHEN THEY SEEK RECERTIFICATION? WILL CERTIFICATES OF INSPECTION BE USABLE IN ALL U.S. WATERS IN WHICH THE VESSEL OPERATES? PLEASE EXPLAIN.

Answer. To obtain a Certificate of Inspection the vessel is inspected to verify compliance with regulations. The standards for passenger carrying vessels have been codified in Title 46, Code of Federal Regulation. Any equivalencies or special considerations from these regulations used to maintain the vessel's unique character are noted in the vessel's file and entered as an inspection note in the Marine Safety Information System. The vessel's file and all inspection notes are reviewed prior to conducting a recertification inspection to ensure consistent inspections from year to year. This process has been successfully used to certificate two 1930's vintage America's Cup J-Class sailing yachts while maintaining their unique character.

Certificates of Inspection (COI) are recognized in all U.S. ports. COI's specify the route within which the vessel may operate. Provided that the vessel operates within the allowed route (e.g. - rivers, lakes, bays, sounds, oceans), no additional restrictions apply. Allowable routes are based on the vessel's stability, manning and lifesaving equipment.

G-NRN 033.N
5/18/95 6:37 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

DGPS AVAILABILITY

QUESTION. I UNDERSTAND THAT COAST GUARD INTENDS TO USE THE GLOBAL POSITIONING SYSTEM (GPS) TO MEET RADIONAVIGATION NEEDS OF BOATERS, USING DIFFERENTIAL CORRECTIONS TRANSMITTED ON RADIOBEACON SIGNALS TO IMPROVE THE ACCURACY OF SERVICE IN COASTAL AND HARBOR AREAS. THE FEDERAL RADIONAVIGATION PLAN (FRP) REQUIRES SERVICE AVAILABILITY LEVELS OF 99.7% IN SUCH AREAS. AT THE SAME TIME, THE AGREEMENT BETWEEN THE DEPARTMENTS OF TRANSPORTATION AND DEFENSE CALLS FOR AT LEAST 21 GPS SATELLITES TO BE AVAILABLE 98% OF THE TIME, ALTHOUGH A HIGHER SERVICE LEVEL CURRENTLY IS BEING PROVIDED (24 SATELLITES AVAILABLE 99.8% OF THE TIME). I ALSO AM TOLD THAT THE AGREEMENT CALLS FOR ADVISING THE CIVIL COMMUNITY 48 HOURS BEFORE ACTION IS TAKEN TO ALTER THE GPS SIGNAL TO DENY SERVICE IN THE INTEREST OF NATIONAL SECURITY. HOW WILL THE COAST GUARD ENSURE FRP SERVICE AVAILABILITY FOR COASTAL AND HARBOR AREAS IF THE DEPARTMENT OF DEFENSE PROVIDES ONLY 21 SATELLITES AND 98% SERVICE? WHAT CONTINGENCY PLANS HAVE BEEN MADE FOR LOWER SERVICE LEVELS TO AVERT MARINE CASUALTIES? WHAT STEPS HAS THE COAST GUARD TAKEN TO ENSURE CONTINUED RADIONAVIGATION SERVICE FOR SAFE AND EFFICIENT COMMERCE IF THE GPS SIGNAL IS SHUT OFF IN THE INTEREST OF NATIONAL SECURITY?

Answer. Statistical analysis (of the factors comprising the 98% figure) indicates the 21-satellite constellation will be 99.9% available to provide two-dimensional 10 meter accuracy, and is sufficient to meet service availability as outlined in the Federal Radionavigation Plan. This analysis is based on the number of satellites (of the 21 available) and their required geometric arrangement in the sky needed to obtain a two-dimensional position. The Coast Guard's differential GPS service will provide immediate user notification of a GPS satellite anomaly, thereby decreasing, rather than increasing, the potential for marine accidents from faulty information.

If GPS signals were discontinued in the interest of national security, Coast Guard plans call for continued radionavigation service using Coast Guard installed radiobeacons. These are the same plans that would have been used had Loran-C service been shut off for national security reasons.

G-ECV 034.E
5/18/95 6:37 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

HIGHLAND LIGHT

QUESTION. AN ARTICLE LAST MONTH IN THE CAPE COD TIMES INDICATED THAT FEDERAL FUNDS WERE STILL NEEDED TO SAVE THE HIGHLAND LIGHT AND THAT COAST GUARD AND THE NATIONAL PARK SERVICE WERE EXPECTED TO SPLIT THE COST FOR THE FEDERAL SHARE (ABOUT \$500,000) OF THE PROJECT.

DOES THE COAST GUARD HAVE THE NECESSARY FUNDS OR IS THE MONEY INCLUDED IN THE FY 1996 BUDGET REQUEST? PLEASE EXPLAIN.

Answer. The cost of the construction phase of the project is currently estimated to be \$1.55 million. The funds needed to complete this phase of the project have been identified. The Commonwealth of Massachusetts and the local historical society have expressed their interest and commitment to this project by agreeing to share in the cost. We have received formal funding commitments from the Commonwealth of Massachusetts (\$500 thousand), the Truro Historical Society (\$150 thousand), and the National Park Service (\$450 thousand). The Coast Guard is planning to program approximately \$450 thousand from fiscal year 1996 minor Acquisition, Construction and Improvement (AC&I) funds.

G-MVI 035.M
5/18/95 6:36 AM

SUBCOMMITTEE ON OCEANS
AND FISHERIES QUESTIONS:
SENATE AUTHORIZATION HEARING, 15 MAR 95

COAST GUARD REGULATORY REFORM

QUESTION. COAST GUARD REGULATORY REFORM. AS I UNDERSTAND IT, A FOREIGN VESSEL ENTERING A U.S. PORT IS FULLY ACCEPTED AS SAFE BY THE COAST GUARD IF IT MEETS THE STANDARDS OF THE INTERNATIONAL MARITIME ORGANIZATION. A U.S. VESSEL, HOWEVER, HAS TO COMPLY WITH U.S. COAST GUARD STANDARDS. U.S. MARITIME COMPANIES HAVE REPEATEDLY TOLD CONGRESS THAT SOME OF THESE EXTRA REQUIREMENTS DO NOT ADD TO SAFETY, AND ARE SO COSTLY THEY RENDER U.S. FLAG VESSELS INTERNATIONALLY UNCOMPETITIVE. I SEE THAT THE ADMINISTRATION IS PROPOSING SOME VESSEL STANDARD REFORMS THAT WOULD HELP CLOSE THE GAP BETWEEN THE COSTS OF OPERATING U.S. AND FOREIGN FLAG VESSELS. WHAT OTHER STEPS WILL THE COAST GUARD TAKE, IN LINE WITH THE COAST GUARD VESSEL STANDARDS REFORM, AND WHAT WILL BE THE TIME SCHEDULE FOR THESE FURTHER REFORMS?

Answer. Foreign flag vessels entering U.S. ports must comply with all applicable international maritime safety and marine pollution prevention convention requirements, as well as U.S. unilateral laws and regulations concerning pollution prevention and navigation safety.

The Coast Guard has already taken several steps to reduce unnecessary regulatory requirements on the U.S. maritime industry without compromising safety. The recently implemented American Bureau of Shipping (ABS) Alternate Compliance Program (ACP) provides owners and operators of freight ships and tank ships in international service with a more efficient way to demonstrate compliance with applicable laws and regulations. The ACP supersedes more than 370 federal regulations which were unnecessary or were duplicated by international or classification requirements. It also allows ABS surveyors to conduct many of the tests and inspections which previously had to be performed in the presence of a Coast Guard marine inspector. A pilot program to test and evaluate the ACP involving five U.S. shipping companies began in February 1995.

Vessels which comply with applicable international convention regulations, ABS classification rules, and a specially developed set of requirements called the ABS U.S. Supplement, are deemed to be in compliance with applicable U.S. laws and regulations. The ABS U.S. Supplement is a compendium of standards which are not addressed by international convention requirements or classification rules, but which the Coast Guard has determined are essential to ensuring an adequate level of maritime safety. Although many of these standards are not now applicable to foreign vessels, the Coast Guard, through its participation in the International Maritime Organization, intends to vigorously pursue their inclusion in relevant international conventions so that they will be applicable to all vessels in international service in the future.



Another regulatory compliance option now being evaluated throughout the Coast Guard is the streamlined inspection process (SIP). In the SIP, vessel operators who develop a safety management system designed to keep their fleets in continuous regulatory compliance enter a safety partnership with the Coast Guard. Qualified company personnel use their Coast Guard approved procedures to perform periodic inspections at intervals convenient to the vessel's operating schedule rather than in the presence of a Coast Guard inspector. Coast Guard SIP inspections involve checking company records and doing limited spot checks on critical safety systems.

Other reforms are underway. In response to the Presidential Regulation Review the Coast Guard is engaged in four major projects aimed at improving our service to the maritime industry and reducing regulatory costs. These include eliminating and/or improving regulations, rewarding results, forming grassroots partnerships and negotiating rather than dictating safety standards.

The Coast Guard is now conducting a comprehensive review to modernize the Code of Federal Regulations by identifying and removing regulations which are obsolete, duplicated by international requirements or are otherwise no longer appropriate to the current state of the U.S. maritime industry. Our review will also improve existing regulations by making them more user friendly through consolidation into stand alone subchapters and eliminating overly bureaucratic and technical language. The ultimate goal is to have a single body of standards applicable to both U.S. flag and international fleets.

The Coast Guard is actively pursuing safety partnerships with shipping companies and other parties involved in or impacted by maritime activities. SIP programs are based on such partnerships. These programs also demonstrate that the Coast Guard rewards results; companies which meet their responsibility for maintaining continuous regulatory compliance are rewarded by greater flexibility in demonstrating compliance.

The Coast Guard also strongly advocates a negotiated approach to safety regulation rather than a detached dictatorial approach. The Coast Guard recently held a public meeting in Washington on the subject of regulatory reform and actively participates in a wide variety of safety advisory committees.

Statutory reforms now before Congress would enable the Coast Guard to expand its authority to delegate vessel inspection activities to third parties and foreign based vessel classification societies, and broaden the number of reports, documents and certificates it may accept from third parties.

Another reform liberalizes the Coast Guard's authority to accept foreign manufactured and approved equipment for use on U.S. flag vessels, providing U.S. vessel owners, operators and builders with greater options in selecting competitively priced equipment.

Yet another reform measure now before Congress would harmonize the Coast Guard's inspection and certification interval for U.S. vessels (currently 2 years) with the international standard five year interval.

The Coast Guard is developing work plans so that the regulations required to implement these reforms can be promulgated as rapidly as possible following enactment of the reform legislation. The actual time schedule for these reforms will depend on passage of these necessary laws.



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